

THE FUTURE OF THE RECOGNITION AND ENFORCEMENT OF FOREIGN INTELLECTUAL PROPERTY JUDGMENTS IN AUSTRALIA

VERONICA SEBESFI*

The Hague Conference on Private International Law ('HCCH') recently concluded a convention on the recognition and enforcement of foreign judgments. Delegate disagreements meant the final convention left out intellectual property ('IP') judgments, which present challenges for conflict of laws rules with their territorial basis, public character, and lack of harmonisation. The HCCH has earmarked for future consideration the issue of private international law principles' interaction with IP judgments. This article argues Australia should take this opportunity to reconsider its limited approach to recognising and enforcing foreign IP judgments, proposing two amendments which more effectively balance the rights and interests of parties with territoriality concerns. First, non-monetary remedies should be able to be recognised and enforced in certain circumstances. Secondly, the permissible bases of jurisdiction in the international sense should be expanded to enable the enforcement of foreign courts' judgments concerning validity and infringement of their own state's IP rights.

I INTRODUCTION

Private international law ('PIL') governs multiple aspects of international litigation between private parties. Key among them are the jurisdiction of courts to decide matters, the choice of law applicable to the dispute, and the recognition and enforcement of judgments from foreign courts in the forum. While recognition and enforcement tend to be discussed together, recognition involves recognising the foreign decision as valid and accepting it as *res judicata*, whereas enforcement involves giving effect to that judgment in the forum jurisdiction.¹

* B Adv Sci (Hons I)/LLB (Hons I) (University of New South Wales). An earlier version of this article was submitted for the award of Honours at the University of New South Wales and I am grateful to Professor Michael Handler and Dr Brooke Marshall for their guidance and support in its preparation. I would also like to thank the anonymous peer reviewers for their valuable comments, and Christopher Chiam and the *University of New South Wales Law Journal* student editors for their assistance.

1 See Marussia Borm-Reid, 'Recognition and Enforcement of Foreign Judgments' (1954) 3(1) *International and Comparative Law Quarterly* 49, 49–51 <<https://doi.org/10.1093/iclqaj/3.1.49>>.

Under Australia's mix of legislative and common law rules, foreign judgments can only be enforced in limited circumstances. The court rendering the judgment must be seen to have exercised an acceptable ground of jurisdiction 'in the international sense'. This means that the judgment debtor must have been present in or have voluntarily submitted to the court of the foreign jurisdiction either in advance or by appearing in the proceedings,² or, more controversially, have been a citizen of the foreign jurisdiction.³ Additionally, the remedy sought to be enforced in the forum must be a final monetary remedy for a fixed, non-punitive sum.⁴ The forum court also has scope to enforce judgments via its equitable jurisdiction, which is not subject to the same common law limitations.⁵ Defences against enforcement also apply, such as if the judgment was obtained by fraud, was decided in circumstances contrary to natural justice, or is contrary to Australian public policy.⁶

Intellectual property rights ('IPRs') include patents, trade marks, copyright, designs and protection of trade secrets. Disputes involving the validity and infringement of IPRs present a particular challenge for PIL principles regarding recognition and enforcement of foreign judgments in several ways.

First, present-day intellectual property ('IP') disputes are often trans- or multinational, particularly in cases of infringement,⁷ as a consequence of the digitally-networked market environment.⁸ However, IPRs themselves have a strong

- 2 *Foreign Judgments Act 1991* (Cth) ss 7(2)(a)(iv), (3)(a) ('FJA'); M Davies et al, *Nygh's Conflict of Laws in Australia* (LexisNexis Butterworths, 10th ed, 2019) 956 [40.5], 959 [40.12] ('Nygh's').
- 3 *Liu v Ma* (2017) 55 VR 104, 106 [6] (Mukhtar AsJ). Cf *Independent Trustee Services Ltd v Morris* (2010) 79 NSWLR 425, 429–30 [25]–[28] (Bryson AJ).
- 4 On 'money' judgments, see *Nygh's* (n 2) 970 [40.38]; *FJA* (n 2) ss 3(1) (definition of 'enforceable money judgment'), 5(3). Foreign courts may be prescribed so that their non-money judgments may be enforced, though this has not yet happened: *FJA* (n 2) s 5(6); Attorney-General's Department (Cth), 'Private International Law Consultation: Reducing Legal Complexity of Cross-Border Transactions and Relationships' in Andrew Dickinson, Mary Keyes and Thomas John (eds), *Australian Private International Law for the 21st Century: Facing Outwards* (Hart Publishing, 2014) 225, 262 [150]. On the 'final and conclusive' requirement, see *FJA* (n 2) s 5(4)(a); *Doe v Howard* [2015] VSC 75, [67] (J Forrest J). On the 'not penal' requirement, see *Huntington v Attrill* [1893] AC 150, 156 (Lord Watson); *Nygh's* (n 2) 992 [40.89].
- 5 See *Nygh's* (n 2) 971 [40.39]; RW White, 'Enforcement of Foreign Judgments in Equity' (1982) 9(3) *Sydney Law Review* 630; Ben Chen, 'Equitable Relief in Transnational Intellectual Property Disputes' (2018) 12(2) *Journal of Equity* 151.
- 6 *FJA* (n 2) ss 7(2)(a)(vi), (xi); *Nygh's* (n 2) 981–95 [40.62]–[40.97]; *Jenton Overseas Investment Pte Ltd v Townsing* (2008) 21 VR 241, 243 [7] (Whelan J), quoting *Loucks v Standard Oil Co of New York*, 120 NE 198, 201–2 (Cardozo J) (NY Ct App, 1918); *Kok v Resorts World at Sentosa Pte Ltd* (2017) 323 FLR 95, 102 [22] (Martin CJ).
- 7 Lydia Lundstedt, 'The Newly Adopted Hague Judgments Convention: A Missed Opportunity for Intellectual Property' (2019) 50(8) *International Review of Intellectual Property and Competition Law* 933, 935 <<https://doi.org/10.1007/s40319-019-00862-5>>.
- 8 Richard Garnett, 'Enhanced Enforcement of IP Rights in Transnational Cases in Australia' (2017) 27(3) *Australian Intellectual Property Journal* 114, 114 ('Enhanced Enforcement').

territorial basis,⁹ providing a monopoly only in the state which grants the rights.¹⁰ For example, a party from State A may market and sell a good in States X, Y and Z which infringes a trade mark registered in each of those states, but the party from State A has no presence in any of those states. The rights granted in States X, Y and Z would not extend to State A, and the courts in State A may be reluctant to decide on matters relating to foreign IP if litigation were brought there. The effect is that the trade mark owner may need to obtain judgment against the party from State A in States X, Y and/or Z, and would need to enforce that judgment in State A to obtain any remedies.

Secondly, there remains a lack of complete global harmonisation of substantive IP law, despite substantial progress being made towards harmonising IP through treaties and other agreements. For example, a party may own patent rights in States A and X, but infringing conduct in State X may be legal in State A. This is because IP protections are subject to individual states' economic policy considerations, where each state strikes a different balance between providing for competition and encouraging innovation through monopoly rights.¹¹ This, along with the registration required for some forms of IPRs, also gives IP a public character.¹²

A further difficulty is that remedies in IP cases frequently are not limited to monetary relief, for example compensatory damages, but also include non-monetary measures such as interim and final injunctions and declarative relief.¹³ Often the non-monetary remedies are crucial. However, enforcement of non-monetary remedies is not currently permitted in several common law states, including Australia, as a result of the original enforcement of foreign judgments as an action in debt.¹⁴

9 Richard Garnett, 'Intellectual Property and Private International Law: Strangers in the Night?' in Graeme W Austin et al (eds), *Across Intellectual Property: Essays in Honour of Sam Ricketson* (Cambridge University Press, 2020) 158, 160 <<https://doi.org/10.1017/9781108750066.015>> ('Strangers in the Night?').

10 Ibid; Sophie Neumann, 'Ubiquitous and Multistate Cases' in Paul Torremans (ed), *Research Handbook on Cross-Border Enforcement of Intellectual Property* (Edward Elgar Publishing, 2014) 497, 500–1 <<https://doi.org/10.4337/9781781955802.00018>>; *Norbert Steinhardt & Son Ltd v Meth* (1961) 105 CLR 440, 443–4 (Fullagar J) ('*Norbert Steinhardt*'). Cf Graeme B Dinwoodie, 'Developing a Private International Intellectual Property Law: The Demise of Territoriality' (2009) 51(2) *William and Mary Law Review* 711.

11 Garnett, 'Strangers in the Night?' (n 9) 159–60, 163; Stephen M Maurer, 'Intellectual Property Incentives: Economics and Policy Implications' in Rochelle Dreyfuss and Justine Pila (eds), *The Oxford Handbook of Intellectual Property Law* (Oxford University Press, 2018) 144 <<https://doi.org/10.1093/oxfordhb/9780198758457.013.30>>.

12 See above n 11; P Sean Morris, 'To What Extent Do Intellectual Property Rights Drive the Nature of Private International Law in the Era of Globalism?' (2019) 28(2) *Transnational Law and Contemporary Problems* 455, 472.

13 See below Part II(A).

14 There is, however, some scope for limited enforcement of certain equitable remedies, though this remains underdeveloped, as discussed in Part II(C) below. *Nygh's* (n 2) 970 [40.38]; Reid Mortensen, Richard Garnett and Mary Keyes, *Private International Law in Australia* (LexisNexis Butterworths, 4th ed, 2019) 143 [5.23]; White (n 5) 631. See also Lord Collins and Jonathan Harris (eds), *Dicey, Morris and Collins on the Conflict of Laws* (Sweet & Maxwell, 15th ed, 2012) 673 [14R–020] ('*Dicey* (15th ed)').

This territorial, non-harmonised nature of IP disputes, which can result in parties being required to bring actions in multiple jurisdictions and which discourages states from enforcing foreign judgments on the basis of differing IP policies, does not sit easily with PIL aims. Those aims include respecting comity, reducing costs and time in the resolution of cross-border disputes, reducing risks of cross-border transaction and litigation, and improving the predictability of dispute outcomes.¹⁵ How IP judgments from one jurisdiction should best be recognised and enforced in others thus remains an open question.

This question is worth revisiting now because of recent developments at the international level. Regional agreements have been made addressing recognition and enforcement, such as the *Brussels Regulation (Recast)* ('*Brussels Regulation*'),¹⁶ though this is largely limited to disputes internal to the European Union ('EU'). Additionally, over recent decades, non-binding soft law principles have been drafted by various international academic groups, such as the 2008 American Law Institute Principles ('ALI Principles'),¹⁷ the 2010 Waseda Principles,¹⁸ the 2011 European Max Planck Group Principles on Conflict of Laws in Intellectual Property ('CLIP Principles'),¹⁹ and most recently the 2021 International Law Association's Guidelines on Intellectual Property and Private International Law ('Kyoto Guidelines'),²⁰ though none of these are binding among states.²¹

These international developments have culminated in the latest work of the Hague Conference on Private International Law ('HCCH'), seeking to create a binding international agreement.²² Following the successful creation of the

- 15 See Attorney-General's Department (Cth) (n 4) 232; Kim Pham, 'Enforcement of Non-monetary Foreign Judgments in Australia' (2008) 30(4) *Sydney Law Review* 663, 669–72. See also David Goddard, 'Trans-Tasman Court Proceedings and Regulatory Enforcement' in Andrew Dickinson, Mary Keyes and Thomas John (eds), *Australian Private International Law for the 21st Century: Facing Outwards* (Hart Publishing, 2014) 145, 153–4 ('Trans-Tasman Court Proceedings').
- 16 *Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters (Recast)* [2012] OJ L 351/1 ('*Brussels Regulation*').
- 17 American Law Institute, *Intellectual Property: Principles Governing Jurisdiction, Choice of Law, and Judgments in Transnational Disputes* (2008) ('ALI Principles').
- 18 'Commentary on Principles of Private International Law on Intellectual Property Rights: Joint Proposal Drafted by Members of the Private International Law Association of Korea and Japan' (Waseda University Global COE Project, 14 October 2010) <<https://web.archive.org/web/20220309120226/http://www.win-cls.sakura.ne.jp/pdf/28/08.pdf>> ('Waseda Principles').
- 19 European Max Planck Group on Conflict of Laws in Intellectual Property, *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary* (Oxford University Press, 2013) ('CLIP Principles').
- 20 International Law Association Committee on Intellectual Property and Private International Law, 'Guidelines on Intellectual Property and Private International Law' (2021) 12(1) *Journal of Intellectual Property, Information Technology and E-Commerce Law* 86 ('Kyoto Guidelines').
- 21 See James J Fawcett and Paul Torremans, *Intellectual Property and Private International Law* (Oxford University Press, 2nd ed, 2011) 949–50.
- 22 Michael Williams and Rebecca Smith, 'Avoiding an Enforcement Free-for-All in Multi-jurisdictional IP Disputes: The Case for an Organised System of Global IP Enforcement' (2018) 28(2) *Australian Intellectual Property Journal* 38, 48; David P Stewart, 'The Hague Conference Adopts a New Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters' (2019) 113(4) *American Journal of International Law* 772, 773–4 <<https://doi.org/10.1017/ajil.2019.53>>.

Convention on Choice of Court Agreements,²³ states' delegates in the HCCH sought to harmonise the rules on the recognition and enforcement of foreign judgments in civil and commercial matters²⁴ to enhance certainty and reduce costs in cross-border litigation.²⁵ The 2017 and 2018 drafts of the *Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters* ('*Judgments Convention*')²⁶ included IP-specific provisions regarding jurisdiction requirements, grounds for refusal, and what forms of remedies could be enforced.²⁷ These draft provisions addressed the issue of the scope of jurisdiction in the international sense, but did not resolve the issue of enforcing non-monetary remedies, which other instruments, such as the *Brussels Regulation* and the soft law principles, permit.²⁸ Ultimately, the HCCH delegates were unable to agree on the inclusion of IP-specific provisions. The EU supported the inclusion of IPRs due to their significance as 'an important economic factor [deserving of] a secure legal framework for cross-border cases'.²⁹ The United States ('US'), however, argued against inclusion, citing concerns regarding the drafting of rules granting jurisdiction to adjudicate IP cases exclusively to the state from which the IPR originates.³⁰ The US feared that this would lead to an increase in forum-shopping and their local treatment of IPRs

-
- 23 This only covers copyright: *Convention on Choice of Court Agreements*, opened for signature 30 June 2005, 44 ILM 1294 (entered into force 1 October 2015) art 2(2)(n). See also Yoav Oestreicher, "'We're on a Road to Nowhere' – Reasons for the Continuing Failure to Regulate Recognition and Enforcement of Foreign Judgments" (2008) 42(1) *International Lawyer* 59, 78.
 - 24 *Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters*, opened for signature 2 July 2019, OXIO 569 (not yet in force) Preamble ('*Judgments Convention*'); Francisco Garcimartín and Geneviève Saumier, *Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters: Text Adopted by the Twenty-Second Session* (Explanatory Report, 2020) 3, 44–5, 48–9 ('*Final Explanatory Report*').
 - 25 Special Commission on the Recognition and Enforcement of Foreign Judgments, Hague Conference on Private International Law, *Report of Meeting No 2*, 13 November 2017, 7 [56] (access provided by the HCCH Permanent Bureau) ('*Report of Meeting No 2*').
 - 26 *Judgments Convention* (n 24).
 - 27 Special Commission on the Recognition and Enforcement of Foreign Judgments, Hague Conference on Private International Law, *Draft Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters*, 22nd sess, May 2018, arts 5(3), 6(a), 7(1)(g), 11 <<https://assets.hcch.net/docs/9faf15e1-9c36-4e57-8d56-12a7d895faac.pdf>> ('*2018 Draft Convention*'); Special Commission on the Recognition and Enforcement of Foreign Judgments, Hague Conference on Private International Law, *November 2017 Draft Convention*, Working Document No 236 E Rev, 13–17 November 2017, arts 5(3), 6(a), 7(1)(g), 11; Special Commission on the Recognition and Enforcement of Foreign Judgments, Hague Conference on Private International Law, *February 2017 Draft Convention*, Working Document No 170 E Rev, 16–24 February 2017, arts 5(1)(k)–(m), 6(a), 7(1)(g), 12.
 - 28 See below Part II(B). See also Francisco J Garcimartín Alférez, Geneviève Saumier and the Permanent Bureau, Hague Conference on Private International Law, *Treatment of Intellectual Property-Related Judgments under the November 2017 Draft Convention*, May 2018, 2 [3]; Peter Arnt Nielsen, 'The Hague 2019 Judgments Convention: From Failure to Success?' (2020) 16(2) *Journal of Private International Law* 205, 207, 213 <<https://doi.org/10.1080/17441048.2020.1759854>>.
 - 29 European Union Delegation, 'Discussion Document from the European Union on the Operation of the Future Hague Judgments Convention with Regard to Intellectual Property Rights' (Information Document No 10 revised, December 2017) 3 [4].
 - 30 See below Part III(B). See also Michael Douglas et al, 'The HCCH Judgments Convention in Australian Law' (2019) 47(3) *Federal Law Review* 420, 433 <<https://doi.org/10.1177/0067205X19856503>>.

being overruled by foreign IP laws affecting American parties.³¹ The severity of these concerns has been questioned,³² and an argument has been made that they can be adequately addressed by appropriate safeguards, such as the creation of targeting requirements for infringement, allowing for judicial discretion, and protecting against fraud.³³ Nevertheless, as a result of the delegates' lack of consensus, the provisions creating specific obligations for IP judgments were excluded from the *Judgments Convention* when it was concluded in 2019, and IP judgments were excluded from the Convention's scope.³⁴

Despite the delegates' lack of unanimity in 2019, further consideration of the intersection between IP judgments and PIL remains relevant. At the HCCH's 22nd Diplomatic Session, the Council on General Affairs and Policy was invited to consider what further work on IP should be undertaken.³⁵ The Council was also invited to establish an Experts' Group on IP and PIL, collaborating with the World Intellectual Property Organization ('WIPO'), to assess possible future work on recognition and enforcement, amongst other PIL issues, using the *Judgments Convention's* draft provisions as part of that work.³⁶ The Council subsequently invited the Permanent Bureau to identify actual and practical issues faced by practitioners in cross-border IP dealings, with results to be reported in 2022.³⁷

It is therefore timely for Australia to take stock of this recent activity and consider whether our private international law rules might be improved. This article proposes two ways in which the Australian approach to recognition and enforcement of foreign IP judgments should change, prompted by the treatment of these issues in the drafting of the *Judgments Convention*.

-
- 31 See European Union Delegation (n 29) 2 [2]; Adam Houldsworth, 'EU/US Disagreements Highlighted as USPTO Rejects Inclusion of Intellectual Property in Hague Convention', *World Trademark Review* (online, 6 November 2017) <<https://www.worldtrademarkreview.com/governmentpolicy/euus-disagreements-highlighted-uspto-rejects-inclusion-intellectual-property>>; Permanent Bureau, Hague Conference on Private International Law, *Report of the Experts Meeting on the Intellectual Property Aspects of the Future Convention on Jurisdiction and Foreign Judgments in Civil and Commercial Matters*, Preliminary Doc No 13, 1 February 2001 <<https://assets.hcch.net/docs/a0a9a970-f7d4-4987-96f5-a7d8a0ee8cf9.pdf>>; Letter from Myra M McCormack, President of the American Intellectual Property Law Association to Michael S Coffee, Andrei Iancu and Maria Pagan, 19 March 2018 <https://www.aipla.org/docs/default-source/advocacy/documents/aipla-comment-hague-convention-on-foreign-judgments-march19-2018final-pdf.pdf?sfvrsn=a600c8a_f_8>.
 - 32 Garnett, 'Strangers in the Night?' (n 9) 170.
 - 33 See International Trademark Association, 'International Trademark Association (INTA) Board Resolution on the Hague Convention on Recognition and Enforcement of Judgments, dated 12 September 2017' (Information Document No 11, October 2017); Garnett, 'Strangers in the Night?' (n 9) 170; David Goddard, 'The Judgments Convention: The Current State of Play' (2019) 29(3) *Duke Journal of Comparative and International Law* 473, 485–6 ('The Judgments Convention').
 - 34 *Judgments Convention* (n 24) art 2(1)(m).
 - 35 Hague Conference on Private International Law, *Final Act*, 22nd sess, 2 July 2019, 21 [3].
 - 36 Permanent Bureau, Hague Conference on Private International Law, *Future Work on the Intersection between Private International Law and Intellectual Property*, Preliminary Doc No 3, December 2019, 3 [10]–[11] <<https://assets.hcch.net/docs/68cadea9-55b8-45e5-a06b-70fd8c4a03ae.pdf>>.
 - 37 Council of General Affairs and Policy, Hague Conference on Private International Law, *Conclusions and Decisions*, 3–6 March 2020, 3 [14] <<https://assets.hcch.net/docs/70458042-f771-4e94-9c5e-df3257a1e5ff.pdf>>.

Part II of this article argues that final non-monetary remedies should be enforceable for IP judgments. Although the final *Judgments Convention* does allow non-monetary judgments to be enforced,³⁸ IP judgments are excluded from its scope and, even in the *Judgments Convention* drafts, non-monetary remedies would have been excluded from enforcement for IP judgments.³⁹ However, I argue non-monetary judgments *should* be enforceable for IP cases given the significant role they play in resolving IP infringement disputes, which is frustrated in cases in which the defendant is in a different jurisdiction where the IPR in question cannot be litigated. I argue that the Canadian Supreme Court's approach in *Pro Swing Inc v Elta Golf Inc* ('*Pro Swing*')⁴⁰ should be adopted in Australia for IP judgments. This approach suitably addresses territoriality concerns regarding wide-ranging foreign injunctions and preserves the finality rule by preventing the enforcement of interim non-monetary relief. I argue that allowing non-monetary remedy enforcement is consistent with Australia's current approach to New Zealand judgments, and that there is a basis within Australian case law to adopt this approach.

Part III of this article argues that the interests of both parties and foreign states in transnational IP cases would be served more effectively if Australia were to amend its restrictive and limited rules regarding permissible jurisdiction in the international sense. Instead of overturning the *Moçambique* rule,⁴¹ which prevents a local court from adjudicating on foreign IPRs, I suggest the draft *Judgments Convention*'s approach to jurisdiction in the international sense should be adopted. This approach, which would involve introducing exclusive jurisdiction rules that ensure judgments are only enforceable when decided by courts from the states in which the IP protection is sought and where infringing conduct is 'targeted' at that state, aligns with the principles of territoriality which underpin IPRs. It also addresses concerns about enforcing judgments which contradict Australian IP policies.

By amending Australia's approach to permissible jurisdiction in the international sense and non-monetary remedy enforcement, foreign litigants will be better able to ensure that their IPRs can be effectively protected, even where defendants are only present in, or have assets in, Australia.

II NON-MONETARY REMEDY ENFORCEMENT

The present Australian approach at common law and under the *Foreign Judgments Act 1991* (Cth)⁴² limits enforceability of IP judgments to final and

38 Francisco Garcimartín and Geneviève Saumier, Hague Conference on Private International Law, *Judgments Convention: Revised Draft Explanatory Report*, 22nd sess, Preliminary Doc No 1, December 2018, 21 [83] ('2018 Draft Explanatory Report'); Garcimartín and Saumier, *Final Explanatory Report* (n 24) 73 [96].

39 2018 Draft Convention (n 27) art 11.

40 [2006] 2 SCR 612 ('*Pro Swing*').

41 *British South Africa Co v Companhia de Moçambique* [1893] AC 602 ('*Moçambique*').

42 *Nygh's* (n 2) 970 [40.38]; *FJA* (n 2) ss 3(1) (definition of 'enforceable money judgment'), 5(3), (6); Attorney-General's Department (Cth) (n 4) 262 [150].

conclusive judgments for monetary relief.⁴³ The basis of this rule lies in the historical English common law characterisation of foreign judgments as representing an obligation on the part of the defendant to pay the plaintiff a sum of money, with enforcement of these judgments therefore appropriately brought as an action in debt or assumpsit.⁴⁴

Non-monetary remedies in IP judgments were similarly excluded from enforcement in the *Judgments Convention* drafts.⁴⁵ The reasons given for exclusion include the unenforceability of non-monetary judgments in common law states, although this was not mentioned when considering the general rule for other non-IP judgments and a ‘clear trend to depart from this approach’ was noted.⁴⁶ A further reason for exclusion was the potential difficulties of ‘interpreting the duties imposed by, and territorial scope of, foreign non-monetary orders, or where equivalent non-monetary remedies do not exist in the requested State’.⁴⁷ However, IP groups and the EU delegation were in favour of including non-monetary remedies as ‘key remedies’.⁴⁸ Further, the reasons for excluding non-money judgments from the drafts do not provide strong support for Australia continuing with its current approach.

By contrast to the *Judgments Convention* drafts, from 2013 Australian courts have been able to enforce final and conclusive non-monetary judgments from New Zealand under the *Trans-Tasman Proceedings Act 2010* (Cth) (*‘TTPA’*),⁴⁹ giving effect to the *Agreement on Trans-Tasman Court Proceedings and Regulatory Enforcement*.⁵⁰ The *TTPA* rule is largely consistent with the approach taken to IP judgments in other regional agreements, such as the EU’s *Brussels Regulation*.⁵¹ Although these arrangements could be said to reflect the common integrated

43 See above n 42. See also *FJA* (n 2) s 5(4)(a); *Doe v Howard* (n 4) [67] (J Forrest J). There is, however, some scope for limited enforcement of certain equitable remedies, though this remains underdeveloped, as discussed in Part II(C) below.

44 *Nygh’s* (n 2) 970 [40.38]; *Mortensen, Garnett and Keyes* (n 14) 143 [5.23]; *White* (n 5) 631.

45 *2018 Draft Convention* (n 27) art 11. See also *Report of Meeting No 2* (n 25) 6 [51]–[52]; Special Commission on the Recognition and Enforcement of Foreign Judgments, Hague Conference on Private International Law, *Report of Meeting No 3*, 14 November 2017, 4 [28] (access provided by the HCCH Permanent Bureau) (*‘Report of Meeting No 3’*); Special Commission on the Recognition and Enforcement of Foreign Judgments, Hague Conference on Private International Law, *Report of Meeting No 6*, 15 November 2017, 2–4 [16]–[32] (access provided by the HCCH Permanent Bureau) (*‘Report of Meeting No 6’*).

46 *2018 Draft Explanatory Report* (n 38) 76 [339].

47 *Ibid.*

48 *Report of Meeting No 3* (n 45) 1 [6], 4 [32]; *Report of Meeting No 2* (n 25) 6–7 [54]. See, eg, Australian Publishers Association, Submission to Attorney-General’s Department (Cth), *Recognition and Enforcement of Foreign Judgments Consultation* (27 April 2018) 2, 4–6 <<https://www.ag.gov.au/sites/default/files/2020-05/australian-publishers-association-submission.PDF>>; Letter from Michael K Kirk, Executive Director of the American Intellectual Property Law Association to Todd Dickinson, 8 December 2000, 4 <<https://www.aipla.org/docs/default-source/uploadedfiles/documents/advocacy-shared-documents/com-2000-12-08-hc-hagueconvention.pdf>>.

49 This is subject to prescribed exclusions (none of which currently exist): *Trans-Tasman Proceedings Act 2010* (Cth) s 66(2)(b) (*‘TTPA’*).

50 *Agreement between the Government of Australia and the Government of New Zealand on Trans-Tasman Court Proceedings and Regulatory Enforcement*, signed 24 July 2008, [2013] ATS 32 (entered into force 11 October 2013) art 3(4)(b).

51 *Brussels Regulation* (n 16) art 36(1).

markets of those regions,⁵² such a close connection need not necessarily be required to enforce non-monetary judgments. The existence of similar rules in soft law instruments designed for application across multiple diverse states indicates that the drafters of these instruments saw no need for such integration.⁵³ Further, Canada has adopted a broader approach which does not rely on close transnational ties.⁵⁴ In addition, even if a jurisdiction allows, in principle, for the enforcement of foreign non-monetary judgments, the defences to enforcement enable the requested court to address concerns about enforcing judgments from different markets with different approaches to IP.

This Part argues that Australia's current inability to enforce non-monetary remedies beyond the trans-Tasman relationship is ill-suited for plaintiffs seeking to enforce IP judgments that typically involve valuable injunctive relief in addition to monetary damages, as will be illustrated in section A. Instead, as section B will argue, the approach taken by international instruments and Canadian courts should be adopted. Under that approach, non-monetary judgments may be enforced where the order is specific as to the rights, duties and obligations imposed on the defendant and its territorial scope, and does not burden the local justice system or third-party rights.⁵⁵ However, despite the role interlocutory relief plays in IP litigation, the finality rule – that is, that foreign judgments may only be enforced where they settle the parties' controversy and are *res judicata* of the issues in question by the foreign court⁵⁶ – should be preserved for non-monetary remedies.

A The Importance of Non-monetary Remedies in IP Litigation

Both monetary and non-monetary remedies form a significant part of IP litigation, especially in cases concerning infringement of an IPR. Monetary remedies often involve damages paid by the infringer to the IPR-holder.⁵⁷ Non-monetary remedies include: injunctions, which can prohibit the production, marketing or sale of infringing goods; specific performance orders requiring delivery-up or destruction of infringing goods; and declarations.⁵⁸ These remedies

52 See Andrew Dickinson, 'What, if Anything, Can Australia Learn from the EU Experience' in Andrew Dickinson, Mary Keyes and Thomas John (eds), *Australian Private International Law for the 21st Century: Facing Outwards* (Hart Publishing, 2014) 157, 183; Goddard, 'Trans-Tasman Court Proceedings' (n 15) 146; Reid Mortensen, 'Together Alone: Integrating the Tasman World' in Andrew Dickinson, Mary Keyes and Thomas John (eds), *Australian Private International Law for the 21st Century: Facing Outwards* (Hart Publishing, 2014) 113, 113–16.

53 ALI Principles (n 17) s 412; Waseda Principles (n 18) art 402; CLIP Principles (n 19) art 4:102; Kyoto Guidelines (n 20) guideline 32; *Brussels Regulation* (n 16) arts 2(a), 36.

54 *Pro Swing* (n 40).

55 Richard Garnett, 'Remedies' in Jürgen Basedow et al (eds), *Encyclopedia of Private International Law* (Edward Elgar Publishing, 2017) 1532, 1536–7.

56 See *Nygh's* (n 2) 967–8 [40.30]–[40.31].

57 Pedro A De Miguel Asensio, 'Recognition and Enforcement of Judgments: Recent Developments' in Paul Torremans (ed), *Research Handbook on Cross-Border Enforcement of Intellectual Property* (Edward Elgar Publishing, 2014) 469, 478 ('Recent Developments').

58 *Ibid* 479.

are important means of stopping ongoing infringements and associated harms, such as loss of brand reputation.⁵⁹

The importance of non-monetary remedies for IP infringement disputes is reflected in the *Agreement on Trade-Related Aspects of Intellectual Property Rights*.⁶⁰ This requires local judicial authorities to be able to issue injunctions,⁶¹ grant remedies which ‘create an effective deterrent to infringement’ such as ordering infringing goods to be disposed of or destroyed,⁶² and order provisional measures to prevent infringement or preserve evidence.⁶³ These remedies are similarly incorporated in Australian IP statutes which include express provision for equitable remedies of injunctions and accounts of profits.⁶⁴ In practice, reflecting the primary aims of plaintiffs to prevent infringing acts, Australian courts ‘invariably’ give injunctive relief upon finding infringement, assuming there is a threat of ongoing infringing conduct.⁶⁵ This is mirrored internationally, injunctions being the remedy most sought by parties and granted by courts according to a 2017 study of 56 cases.⁶⁶ Therefore, significantly, in many IP cases where cross-border enforcement of *monetary* remedies is sought, it is highly likely that enforcement of non-monetary remedies in another state where the defendant is situated is also needed to make them practically effective.⁶⁷

This is especially the case where parties cannot bring an action for non-monetary relief in a jurisdiction where the defendant and its assets are present but the court lacks subject-matter jurisdiction – for example, where the IPR is non-existent in that jurisdiction, or where exclusive jurisdiction rules preclude the court from considering the matter.⁶⁸ Even if the enforcing court otherwise has jurisdiction to decide on the foreign IPR’s infringement (to be able to make its own non-monetary orders), plaintiffs may prefer to litigate in the foreign forum for several reasons. These include ‘limitation periods, availability of witnesses

59 See Pham (n 15) 682; *Report of Meeting No 3* (n 44) 4 [32].

60 *Marrakesh Agreement Establishing the World Trade Organization*, opened for signature 15 April 1994, 1867 UNTS 3 (entered into force 1 January 1995) annex 1C (*Agreement on Trade-Related Aspects of Intellectual Property Rights*) 1869 UNTS 299.

61 Ibid art 44.

62 Ibid art 46.

63 Ibid arts 50(1)(a)–(b), (7).

64 *Trade Marks Act 1995* (Cth) ss 21, 126; *Patents Act 1990* (Cth) ss 13, 122; *Copyright Act 1968* (Cth) ss 13, 122–3; *Designs Act 2003* (Cth) ss 10, 71, 75. See also JD Heydon, MJ Leeming and PG Turner, *Meagher, Gummow and Lehane’s Equity: Doctrines and Remedies* (LexisNexis Butterworths, 5th ed, 2015) 722 [21–140], 912–13 [26–055]; William Gummow, ‘Bars to Relief’ (2018) 12(2) *Journal of Equity* 227, 227–8.

65 Justice Stephen Burley and Angus Lang, ‘Ongoing Patent Infringement: Is Injunctive Relief an Inevitable Outcome?’ (2018) 12(2) *Journal of Equity* 132, 132–3.

66 Andrew F Christie, ‘Private International Law Principles for Ubiquitous Intellectual Property Infringement: A Solution in Search of a Problem?’ 13(1) *Journal of Private International Law* 152, 168–9 <<https://doi.org/10.1080/17441048.2017.1304047>>.

67 Goddard, ‘The Judgments Convention’ (n 33) 487. See also Normann Witzleb, ‘“Equity Does Not Act in Vain”: An Analysis of Futility Arguments in Claims for Injunctions’ (2010) 32(3) *Sydney Law Review* 503, 518–20.

68 *Moçambique* (n 41). See also below Part III(C).

and other evidence, costs of litigation, and availability of contingency fee[s]'.⁶⁹ The expense and time involved in relitigating the issues in the forum court may outweigh the costs and time involved in simply enforcing the foreign remedy and could constitute an abuse of process.⁷⁰

In practice, there are two circumstances in which non-monetary remedies in IP judgments may be required to be enforced in a different jurisdiction:⁷¹ where remedies are sought to be enforced with regard to a single state, and where 'global' remedies are sought.

In relation to the former category, parties may seek to enforce non-monetary remedies which constrain behaviour in one state where an IPR is held, or behaviour directed only to that state.⁷² The 2007 Canadian Supreme Court case of *Pro Swing* is a pertinent example.⁷³ The plaintiff, US-based Pro Swing, brought actions in Ohio against Elta, a company based in Ontario, Canada, for infringement of Pro Swing's US 'Trident' trade mark. It was argued that Elta had infringed through sales and advertising of its goods in the US.⁷⁴ From a series of proceedings in the Ohio District Court, Pro Swing obtained two orders, the territorial scope of which was not specified on their face but which the Canadian Supreme Court majority read to be limited to the US.⁷⁵ The first was a consent order, including an injunction requiring Elta to stop purchasing, marketing or selling the infringing product and an order that Elta deliver all infringing materials to Pro Swing.⁷⁶ The second was a subsequent contempt order following Elta's violation of the consent order, which repeated the consent order's terms, awarded Pro Swing compensatory damages and required Elta to provide Pro Swing with contact information for suppliers and purchasers of the infringing goods.⁷⁷ Since Elta had no presence or assets in Ohio which would have enabled Pro Swing to enforce compliance in the US,⁷⁸ Pro Swing sought to have these two orders recognised and enforced in Ontario. This would have required the Ontario Court to issue a local order replicating the requested remedy,⁷⁹ and would have compelled Elta's compliance with the terms

69 Pham (n 15) 679; Richard Oppong, 'Canadian Courts Enforce Foreign Non-money Judgments' (2007) 70(4) *Modern Law Review* 670, 677 <https://doi.org/10.1111/j.1468-2230.2007.00646_2.x>.

70 Pham (n 15) 671, 679.

71 See Garcimartín Alférez, Saumier and the Permanent Bureau (n 28) 17; Marketa Trimble, 'The Territorial Discrepancy between Intellectual Property Rights Infringement Claims and Remedies' (2019) 23(2) *Lewis and Clark Law Review* 501, 522–4 ('The Territorial Discrepancy').

72 See also Marketa Trimble, *Global Patents: Limits of Transnational Enforcement* (Oxford University Press, 2012) 156–65 <<https://doi.org/10.1093/acprof:oso/9780199840687.001.0001>> ('*Global Patents*'), discussing *Spindelfabrik Suessen-Schurr v Schubert & Salzer Maschinenfabrik Aktiengesellschaft*, 903 F 2d 1568 (Fed Cir, 1990); *Elektrisches Steckergehäuse*, Landgericht Düsseldorf [German District Court Düsseldorf], Az 4b O 199/06, 31 July 2007.

73 *Pro Swing* (n 40).

74 Ibid 619–20 [1]–[3] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ).

75 Ibid 640–2 [52]–[58] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ). Cf 661–3 [112]–[119], 664 [122] (McLachlin CJ for McLachlin CJ, Bastarache and Charron JJ).

76 *Pro Swing Inc v ELTA Golf Inc* [2004] 71 OR (3d) 566, [5] (Blair, Gillese and Moldaver JJA) ('*Pro Swing Intermediate Appeal*').

77 *Pro Swing* (n 40) 620–1 [3]–[4] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ).

78 See Mortensen, Garnett and Keyes (n 14) 143–4.

79 Pham (n 15) 689.

of both orders. The proceedings did not confirm whether Pro Swing had Canadian trade mark rights which were infringed such that Pro Swing could have brought a separate action for infringement in Canada:⁸⁰ the TRIDENT trade mark was only registered in Canada in 2010,⁸¹ and no argument for protection as an unregistered mark was raised in the judgments.

The second category involves ‘global’ remedies which have a ‘large-scale’ territorial impact. Examples of this include cases, generally involving the internet, where broad extraterritorial injunctions or specific performance remedies with global effect are granted and sought to be enforced overseas. Two examples are the 2017 cases of *Google Inc v Equustek Solutions Inc* (*Equustek*)⁸² and *X v Twitter Inc* (*X v Twitter*)⁸³ in which the Canadian Supreme Court and New South Wales (‘NSW’) Supreme Court respectively subjected two technology giants to injunctions requiring them to remove infringing information, making it inaccessible worldwide.

Equustek provides an example of ubiquitous infringement⁸⁴ leading to an extraterritorial remedy in a case of trade secrets and passing off. In Canada, Equustek, an information technology company, had trade secrets stolen by Datalink, originally a Canada-based company.⁸⁵ Datalink had used the trade secrets to create a competing product sold online.⁸⁶ It fled the jurisdiction and continued to sell the impugned product from an unknown foreign location via its websites.⁸⁷ Given Google’s role in enabling customers to locate Datalink’s websites via its search engine,⁸⁸ Equustek requested Google de-index Datalink’s websites.⁸⁹ While Google was willing to de-index individual webpages, it refused to de-index all the Datalink websites or searches beyond the Canadian ‘google.ca’ domain.⁹⁰ Equustek successfully obtained an interlocutory injunction from the Supreme Court of British Columbia requiring Google to cease indexing the Datalink websites on *any* of its search engines until the conclusion of Equustek and Datalink’s trial.⁹¹ This was upheld by the Canadian Supreme Court, which noted that the ‘google.ca’ de-indexing could be bypassed by searching on other Google domains and that the majority of Datalink’s customer

80 See *Pro Swing* (n 40) 623 [8] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ), 633 [119] (McLachlin CJ for McLachlin CJ, Bastarache and Charron JJ).

81 See *CA Trademark Registration No TMA838447*, filed on 8 September 2010 (Registered on 14 December 2012).

82 [2017] 1 SCR 824 (*Equustek*).

83 (2017) 95 NSWLR 301 (*X v Twitter*).

84 That is, where one act results in concurrent infringements across multiple jurisdictions: Christie (n 66) 174–5. Article 3:603 of the CLIP Principles (n 19), for example, addresses this by allowing the court to apply one single law, that of ‘the State having the closest connection with the infringement’ in ‘disputes concerned with infringement carried out through ubiquitous media such as the Internet’, and in which ‘the infringement arguably takes place in every state in which the signals can be received’.

85 *Equustek* (n 82) 834 [2]–[3] (Abella J for McLachlin CJ, Abella, Moldaver, Karakatsanis, Wagner, Gascon and Brown JJ).

86 Ibid.

87 Ibid 836 [11].

88 Ibid 837 [18].

89 Ibid 836 [12].

90 Ibid 836–7 [13]–[16].

91 Ibid 837 [17].

base was overseas.⁹² Google attempted to prevent the enforcement of this order in the US, applying to the US District Court for the Northern District of California for a declaratory judgment that the order was unenforceable and for injunctive relief to prevent enforcement.⁹³ This was granted on the basis that Google was protected under US federal law from liability for third party content,⁹⁴ though the Court did not decide whether the Canadian order violated Google's First Amendment free speech rights or principles of international comity.⁹⁵

Australian courts have shown a similar willingness to issue global injunctions which affect multiple other states, as evident in the confidential information case of *X v Twitter*.⁹⁶ Under the final injunction's terms, California-based Twitter was required to remove offending materials sharing an Australian company's confidential information worldwide and prevent the offending Twitter users from creating future accounts or tweets.⁹⁷ Twitter was additionally made subject to identity disclosure orders identifying the offending users.⁹⁸ The Court noted foreign enforcement to ensure compliance would not be an issue, because complying with the Court's terms was in Twitter's best interests to maintain its reputation and standing in the Australian market.⁹⁹ However, had this decision been made in a foreign court and sought to be enforced in Australia, Australian courts would be unable to enforce compliance under the present rules.

B Proposed Method of Inclusion

Given the significance of 'small-' and 'large-scale' non-monetary remedies for plaintiffs in IP litigation who may want to enforce these remedies in Australia, Australia should reconsider its non-monetary judgment rules for IP infringement cases. This raises the question of how a new set of rules could operate.

The *Brussels Regulation*, soft law instruments and *Pro Swing* litigation support the enforcement of non-monetary remedies,¹⁰⁰ and appear to offer a way

92 Ibid 849 [53].

93 *Google LLC v Equustek Solutions Inc* (ND Cal, No 5:17-cv-04207-EJD, 2 November 2017).

94 Ibid slip op 3–5 (Davila DCJ).

95 Jennifer Daskal, 'Google Inc v Equustek Solutions Inc' (2018) 112(4) *American Journal of International Law* 727, 729–30 <<https://doi.org/10.1017/ajil.2018.75>>.

96 See Michael Douglas, 'The Exorbitant Injunction in *X v Twitter* [2017] NSWSC 1300' (2017) 36(4) *Communications Law Bulletin* 11 ('Exorbitant Injunction in *X v Twitter*').

97 *X v Twitter* (n 83) 304–5 [14], 308 [29] (Pembroke J).

98 Ibid 311 [44].

99 Ibid 310–11 [40]–[43].

100 *Pro Swing Inc v Elta Golf Inc* (2003) 68 OR (3d) 443, [15]–[16] (Pepall J) ('*Pro Swing Trial*'); *Pro Swing Intermediate Appeal* (n 76) [9] (Blair, Gillese and Moldaver JJA); *Pro Swing* (n 40) 625–6 [14]–[16] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ), 644 [66], 648–9 [78]–[80] (McLachlin CJ for McLachlin CJ, Bastarache and Charron JJ); ALI Principles (n 17) s 412; Waseda Principles (n 18) art 402; CLIP Principles (n 19) art 4:102; Kyoto Guidelines (n 20) guideline 33; *Brussels Regulation* (n 16) arts 2(a), 36. See also Pedro de Miguel Asensio, 'Article 4:102: Recognition and Enforcement in General' in European Max Planck Group on Conflict of Laws in Intellectual Property (ed), *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary* (Oxford University Press, 2013) 398, 404 ('Article 4:102 Commentary'). Cf the United States ('US'): Richard Garnett, 'An Overview of Choice of Law, Jurisdiction and Foreign Judgment Enforcement in IP Disputes' (2006) 11(4) *Media and Arts Law Review* 341, 353 ('An Overview').

forward. However, an Australian court overturning the exclusion of non-monetary judgments would then need to consider when enforcement is appropriate. The difficulty of providing a clear answer is illustrated in the disagreements between judges in the *Pro Swing* litigation regarding whether the orders of the Ohio court were enforceable.¹⁰¹ However, guiding factors have been put forward to determine when enforcement is appropriate. The *Brussels Regulation* and soft law instruments contain a range of caveats which Australia could consider. These include that the remedy must have the same effect in the foreign state of origin and enforcing state,¹⁰² and that the effect of injunctions should be interpreted in respect of their 'subjective, territorial and substantial scope'.¹⁰³ Similarly, the majority in *Pro Swing* established a set of limiting factors to guide whether the foreign remedy should be enforced. In addition to the normal considerations for monetary judgments, these factors included that:

- the orders must be clear and specific as to the defendant's obligations¹⁰⁴ and their territorial scope;¹⁰⁵
- the orders must not place too high a burden on third parties or judicial resources;¹⁰⁶ and
- the judgment must be final and of a nature that the comity principle requires the court to enforce, not going beyond what is available to litigants in its own jurisdiction.¹⁰⁷

On the basis of these factors, the majority refused the application for enforcement on the grounds that the contempt order was quasi-criminal in nature, that the consent and contempt orders were otherwise insufficiently clear (since they were ambiguous as to their territorial scope), and that it was unclear that enforcing the orders was the most appropriate tool for resolving the parties' conflict.¹⁰⁸

The majority's factors in *Pro Swing* have subsequently been applied in Canada in the enforcement of foreign permanent injunctions, including in a case of copyright infringement,¹⁰⁹ and a specific performance order.¹¹⁰ The majority's approach, which finds support in the soft law instrument provisions, should inform any changes to Australian private law rules on non-monetary remedy enforcement.

101 *Pro Swing Trial* (n 100) [18]–[19] (Pepall J); *Pro Swing Intermediate Appeal* (n 76) [10]–[11] (Blair, Gillese and Moldaver JJA); *Pro Swing* (n 40) 642–3 [63] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ), 658–62 [104]–[116] (McLachlin CJ for McLachlin CJ, Bastarache and Charron JJ).

102 See, eg, *Waseda Principles* (n 18) art 403; *CLIP Principles* (n 19) art 4:102(2); *Kyoto Guidelines* (n 20) guideline 33; *Brussels Regulation* (n 16) art 54.

103 *CLIP Principles* (n 19) art 4:102(3). See also de Miguel Asensio, 'Article 4:102 Commentary' (n 100) 400–2.

104 *Pro Swing* (n 40) 629 [24], 632–3 [30] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ). See also 654 [92] (McLachlin CJ for McLachlin CJ, Bastarache and Charron JJ).

105 *Ibid* 640–2 [52]–[58] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ).

106 *Ibid* 632–3 [30], 637–9 [41]–[48] (Deschamps J).

107 *Ibid* 632–3 [29]–[31] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ), 654 [92] (McLachlin CJ for McLachlin CJ, Bastarache and Charron JJ).

108 *Ibid* 643 [62] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ).

109 *United States of America v Yemec* [2010] ONCA 414; *Blizzard Entertainment Inc v Simpson* [2012] ONSC 4312.

110 *Van Damme v Gelber* [2013] ONCA 388.

An assessment of the applicability of the limiting factors for non-monetary judgments in general has been dealt with by commentators.¹¹¹ This section will not revisit that assessment, but will instead focus on two problems in the enforcement of non-monetary remedies that are most relevant to IP infringement cases and show that the *Pro Swing* approach addresses these concerns. The challenges are controlling the extraterritorial scope of foreign injunctions that are sought to be enforced with respect to the territoriality of IPRs and preserving the finality rule despite the significance of interim relief in IP judgments.

1 Limitation: Extraterritorial Scope

As previously mentioned, IPRs have a strong territorial basis whereby they are limited in territorial scope to the state in which those rights are granted, outside of which they have ‘no force or effect’.¹¹² There is therefore a concern that cross-border enforcement of extraterritorial remedies creates a discrepancy between the rights and the effect of the remedies which might extend the reach of the rights beyond the originating state – in effect, that enforcement of foreign non-monetary remedies ‘result[s] in the exportation of [IPRs] from the country of the underlying law to a target [enforcing] country’¹¹³ without considering the enforcing state’s laws or the IPRs’ existence or ownership in that state.

This poses a potential problem in two ways. First, a state’s policy as to the level of IP protection it has chosen to afford may be undermined. The scope of a state’s intellectual property laws is determined in part by local public policy considerations, such as the right to freedom of speech and access to education and healthcare.¹¹⁴ Extraterritorial remedies may be seen as ‘exporting [IPRs] and features’¹¹⁵ with a different contextual background, underpinned by different public policy considerations, into the state of the enforcing court. While this may be less of a concern when considering copyright or trade secrets, which can be protected in multiple countries without registration,¹¹⁶ even these areas of IP law are not harmonised (for example, what may be copyrightable or what defences may apply).¹¹⁷ Secondly, broad extraterritorial remedies can result in the prohibition

111 Pham (n 15) 685–9. See Stephen GA Pitel, ‘Enforcement of Foreign Non-monetary Judgments in Canada (and Beyond)’ (2007) 3(2) *Journal of Private International Law* 241, 245–8, 251–2 <<https://doi.org/10.1080/17536235.2007.11424324>>. Cf Vaughan Black, ‘Enforcement of Foreign Non-money Judgments: *Pro Swing v Elta*’ (2005) 42(1) *Canadian Business Law Journal* 81, 83; Robert G Howell, ‘Intellectual Property Rights and Private International Law: A Tangled Web’ (2016) 28(2) *Intellectual Property Journal* 187, 229–30.

112 See *Norbert Steinhardt* (n 10) 443–4 (Fullagar J).

113 Trimble, ‘The Territorial Discrepancy’ (n 71) 540.

114 Ibid 541; Garnett, ‘Strangers in the Night’ (n 9) 163.

115 Trimble, ‘The Territorial Discrepancy’ (n 71) 541.

116 Ibid 540.

117 Eg, the different ‘fair dealing’ exceptions to copyright: Australasian Performing Rights Association and Australasian Mechanical Copyright Owners Society, Submission to Attorney-General’s Department (Cth), *Recognition and Enforcement of Foreign Judgments Consultation* (23 March 2018) 3–4. See also Australian Publishers Association (n 48) 3–4; Marketa Trimble, ‘The Multiplicity of Copyright Laws on the Internet’ (2015) 25(2) *Fordham Intellectual Property, Media and Entertainment Law Journal* 339, 356–7 (‘Multiplicity of Copyright Laws’).

of activities which are legal in the enforcing state – for example, the legitimate coexistence of a similar trade mark, which is in effect what *Pro Swing* may have wanted to prohibit by seeking enforcement of the Ohio court's order against Elta in Canada.¹¹⁸ Additionally, both of these issues are particularly concerning when considering the potential threat to free speech posed by global injunctions or takedown orders as proposed in *Equustek* and *X v Twitter*. Douglas and Daskal, for example, have warned of the potential for such orders to be a 'vehicle for censorship or oppression',¹¹⁹ with an example being a political app's removal from Google Play.¹²⁰

However, the *Pro Swing* majority's approach addresses these concerns by limiting the extraterritorial application of non-monetary remedies. Just as *Mareva* orders do not always apply to a defendant's foreign assets, not all non-monetary orders need to regulate behaviour in the enforcing jurisdiction.¹²¹ As such, the *Pro Swing* requirement that the injunctive relief must 'be clear as regards territoriality' and, in effect, limited to moderating infringing behaviour in the foreign state avoids allowing 'extraterritoriality and comity [to] serve as a substitute for a lack of worldwide trademark protection'¹²² and appropriately avoids the risk of injunctive relief preventing legal behaviour in the enforcing state.¹²³ This echoes WIPO's recommendation that remedies be proportionally limited to the territory where the right is recognised.¹²⁴ Enforcement of such territorially-restrained remedies has no effect on the legitimacy of behaviour solely in and directed to the enforcing state, because 'a judgment of the court in the state of origin says nothing about a rights holder in the requested state's capacity to use a mark or exploit the work in that territory'.¹²⁵

Such territorial limitations are also practically possible, even in cases regarding infringement via websites or material otherwise shared over the internet, through technology such as geoblocking which only restricts defendants' online behaviour in states where it is unlawful.¹²⁶ As a result, global extraterritorial injunctions need not be enforced.

118 See also *Hotel Maritime*, Bundesgerichtshof [German Federal Court of Justice], I ZR 163/02, 13 October 2004, reported in [2005] GRUR 431, 434–5, cited in Alexander Peukert, 'The Coexistence of Trade Mark Laws and Rights on the Internet, and the Impact of Geolocation Technologies' (2016) 47(1) *International Review of Intellectual Property and Competition Law* 60, 66–7 <<https://doi.org/10.1007/s40319-015-0427-8>>.

119 Michael Douglas, 'Extraterritorial Injunctions Affecting the Internet' (2018) 12(1) *Journal of Equity* 34, 56 ('Extraterritorial Injunctions'); Michael Douglas, 'A Global Injunction against Google' (2018) 134 (April) *Law Quarterly Review* 181, 186; Daskal (n 95) 730–2; Douglas, 'Exorbitant Injunction in *X v Twitter*' (n 96) 12.

120 Douglas, 'Extraterritorial Injunctions' (n 119) 56.

121 Pham (n 15) 686.

122 *Pro Swing* (n 40) 641–2 [58] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ).

123 See De Miguel Asensio, 'Recent Developments' (n 57) 480. See also Fawcett and Torremans (n 21) 962 [19.63]; CLIP Principles (n 19) art 4:102(3).

124 See Johannes Christian Wichard, 'WIPO and Private International Law' in Jürgen Basedow et al (eds), *Encyclopedia of Private International Law* (Edward Elgar Publishing, 2017) 1835, 1841–2.

125 Garnett, 'Strangers in the Night?' (n 9) 170.

126 Trimble, 'The Territorial Discrepancy' (n 71) 548–9, cf 532–3. See also Peukert (n 118) 80–1.

Regulating the behaviour of defendants that is only directed to the foreign territory may still have an impact on the enforcing nation's sovereignty to a minor extent. Trimble, for example, notes that '[i]f a US court prohibits a Canadian company from selling a downloadable Internet product to customers located in the United States, it will ... be in Canada where the company will have to take action to comply with the injunction, and Canada may lose tax revenue stemming from such cross-border trade'.¹²⁷ However, the extent to which this has an impact upon the enforcing state's sovereignty is minor: as noted by the United Kingdom ('UK') Supreme Court in *Lucasfilm Ltd v Ainsworth* ('*Lucasfilm*'),¹²⁸ where defendants' acts 'are anticipated to achieve fruition in another country ... there is no objection in principle to [an injunction restricting such acts]'.¹²⁹ Further, if this objection was a sufficient reason not to enforce judgments, then it would preclude the enforcement of monetary judgments where it could affect the trading of local companies.

Finally, the existing defences to enforcement can assist. Non-monetary remedies could be prevented from enforcement by the defence of public policy if they violate a fundamental principle of justice,¹³⁰ for example by requiring a party to contravene Australian laws or other obligations they may have in Australia,¹³¹ or by the defence against enforcement of penal judgments,¹³² which could limit the enforcement of 'excessive' statutory damages for infringement of US IPRs.¹³³

2 Limitation: Interlocutory Injunctions

Interlocutory injunctions also play a significant role in IP infringement litigation, especially in patent litigation, where awaiting the final outcome of proceedings could cause significant damage to plaintiffs.¹³⁴ On the other hand, preventing defendants from entering a market through a preliminary injunction before the patent is found to be infringed or valid can also be highly detrimental to defendants.¹³⁵ Therefore, a further issue for non-monetary remedy enforcement is whether the requirement that judgments be final should be overturned to allow enforcement of *interim* non-monetary relief.

127 Trimble, *Global Patents* (n 72) 165.

128 *Lucasfilm Ltd v Ainsworth* [2012] 1 AC 208 ('*Lucasfilm*').

129 Ibid 243 [109] (Lord Walker and Lord Collins JJSC).

130 See *Nygh's* (n 2) 1006 [41.16].

131 Pham (n 15) 687.

132 *Pro Swing* (n 40) 634 [33] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ); Pitel (n 111) 259.

133 See, eg, Law Council of Australia, Submission to Attorney-General's Department (Cth), *Recognition and Enforcement of Foreign Judgments Consultation* (23 March 2018) 12–13 [51]. See generally Pamela Samuelson and Tara Wheatland, 'Statutory Damages in Copyright Law: A Remedy in Need of Reform' (2009) 51(2) *William and Mary Law Review* 439.

134 Paul Torremans, 'Cross-Border Injunctions' in Paul Torremans (ed), *Research Handbook on Cross-Border Enforcement of Intellectual Property* (Edward Elgar Publishing, 2014) 549, 556; Bryanna Workman, 'The Impact of Interlocutory Injunctions on the Biosimilars Industry: Re-adjusting the Balance of Convenience with Public Interest' (2019) 29(4) *Australian Intellectual Property Journal* 198, 198.

135 Workman (n 134) 198; Charles Lawson, 'The Interlocutory Injunction Dilemma in Patent Infringement and Invalidity Disputes' (2010) 21(2) *Australian Intellectual Property Journal* 73, 98–9.

Australian common law and legislative enforcement rules require foreign judgments to be ‘final and conclusive’.¹³⁶ By contrast, Europe merely requires judgments to be ‘enforceable’,¹³⁷ as reflected in the *Brussels Regulation* where provisional measures are enforceable across borders. This is subject to restrictions a) confining the effect of such measures to the territory of the court’s state, if a court orders measures without having jurisdiction as to the *substance* of the matter, and b) against enforcing orders made *ex parte*.¹³⁸ The soft law principles operate in a similar fashion.¹³⁹

However, these restrictions are not enough to overcome the conceptual and practical issues with enforcing foreign interlocutory non-monetary remedies. Both the majority and dissenting judgments in *Pro Swing* preserved the finality requirement as an ‘indispensable’ part of Canada’s recognition and enforcement regime.¹⁴⁰ This reflects the conceptual basis of treating the foreign judgment as *res judicata*¹⁴¹ and giving effect to the obligations created by the judgment,¹⁴² while preventing courts from having to risk enforcing something that may later ‘no longer [be] an obligation in the foreign country’.¹⁴³ Additionally, enforcing interlocutory injunctions involves greater trust in the foreign state’s court’s ability to appropriately balance the plaintiff’s and defendant’s interests,¹⁴⁴ where even Australian courts can find that exercise challenging.¹⁴⁵ Practically, final cross-border injunctions are ‘markedly easier to deal with’ than interim injunctions given the complexity of national procedural law regarding interlocutory injunctions.¹⁴⁶

A comparison could perhaps be made to *Mareva* or freezing orders,¹⁴⁷ which have been granted to assist foreign litigation,¹⁴⁸ and similar forms of interim relief which Australian courts can provide in cases covered by the *TTPA*.¹⁴⁹ However,

136 *FJA* (n 2) s 5(4)(a); *Doe v Howard* (n 4) [67] (J Forrest J).

137 Lord Collins et al (eds), *Dicey, Morris and Collins on the Conflict of Laws* (Sweet & Maxwell, 14th ed, 2006) 652.

138 See *Brussels Regulation* (n 16) arts 38, 44, see also recital 33. See also Fawcett and Torremans (n 21) 947–8 [19.07]–[19.12].

139 Waseda Principles (n 18) art 405, 154–5; CLIP Principles (n 19) art 4:102(4)–(5); ALI Principles (n 17) s 401(2), see also comment b, cf s 401(4); Kyoto Guidelines (n 20) guideline 32(2)–(3). See also Pedro de Miguel Asensio, ‘Article 4:301: Provisional, Including Protective, Measures’ in European Max Planck Group on Conflict of Laws in Intellectual Property (ed), *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary* (Oxford University Press, 2013) 425, 430–1.

140 See *Pro Swing* (n 40) 632–3 [29]–[31] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ). See also 650–1 [83], 653–4 [91]–[93] (McLachlin CJ for McLachlin CJ, Bastarache and Charron JJ).

141 Collins and Harris, *Dicey* (15th ed) (n 14) 677–8 [14-026].

142 *Pro Swing* (n 40) 654 [93] (McLachlin CJ for McLachlin CJ, Bastarache and Charron JJ).

143 *Ibid* 654 [92]. See also De Miguel Asensio, ‘Recent Developments’ (n 57) 482.

144 See generally Pham (n 15) 673; Lawson (n 135) 81–2, 98–9.

145 *Australian Broadcasting Corporation v O’Neill* (2006) 227 CLR 57, 81–2 [65] (Gummow and Hayne JJ); *Samsung Electronics Co Ltd v Apple Inc* (2011) 217 FCR 238, 256–60 [52]–[62] (Dowsett, Foster and Yates JJ). See, eg, *Sigma Pharmaceuticals (Australia) Pty Ltd v Wyeth* (2018) 136 IPR 8, 314–15 [1336] (Jagot J); *H Lundbeck A/S v Sandoz Pty Ltd* (2018) 137 IPR 408, 504 [382]–[383] (Jagot J). See also Workman (n 134) 202–10.

146 Torremans, ‘Cross-Border Injunctions’ (n 134) 549.

147 *Mareva Compania Naviera SA v International Bulkcarriers SA* [1980] 1 All ER 213.

148 See, eg, *Davis v Turning Properties Pty Ltd* (2005) 222 ALR 676. See also Chen (n 5) 159–60.

149 *TTPA* (n 49) pt 4.

these are distinguishable from enforcing interlocutory injunctions in IP cases in two ways. First, the *TTPA*'s interim relief is concerned with procedure (preservation of assets and evidence) rather than the substantive merits of an infringement case (where interlocutory injunctions in IP matters in effect presuppose the existence of infringing acts where evidence of threatened or actual infringement is filed, based on the strength of the case and the balance of convenience).¹⁵⁰ Secondly, *TTPA* interim relief is granted in response to an application to Australian courts directly rather than as an enforcement of a foreign judgment granting interim relief.¹⁵¹ At the enforcement stage, freezing orders have been found not to be 'final judgments' under the *TTPA* due to their interlocutory nature.¹⁵²

Therefore, only injunctions that are part of final, conclusive judgments, rather than interlocutory decisions, should be enforced. This is consistent even with the *TTPA* and *Judgments Convention*,¹⁵³ which otherwise enable non-monetary remedies, illustrating states' reluctance to change this rule even for non-IP matters.

C Adoption in Australia

No Australian court has directly engaged with *Pro Swing*. Nevertheless, there is a basis in Australian jurisprudence for enabling enforcement of non-monetary remedies.¹⁵⁴

Allowing the enforcement of non-monetary judgments better serves underlying policy goals of recognition and enforcement, including comity, reciprocity and fairness to plaintiffs among others.¹⁵⁵ Further, the movement away from the original rule was justified in *Pro Swing* because of the need to adapt to 'globalization of commerce and mobility of both people and assets' to provide 'prompt reactions and effective remedies',¹⁵⁶ building on previous changes to Canadian international jurisdiction rules in response to the demands of modern globalisation.¹⁵⁷ The need for PIL to 'remain alive to ... changes in the means of trans-border communication between people [and businesses]'¹⁵⁸ has also been acknowledged in Australian jurisprudence.¹⁵⁹

150 See Explanatory Memorandum, Trans-Tasman Proceedings Bill 2009 (Cth) 12–13 [54]–[55]. See, eg, *Nygh's* (n 2) 971 [40.40]; Heydon, Leeming and Turner (n 64) 778 [21–435].

151 Explanatory Memorandum, Trans-Tasman Proceedings Bill 2009 (Cth) 12–13 [54]–[55].

152 *LFDB v SM* (2015) 239 FCR 262, 279–80 [94]–[101] (Gleeson J).

153 *Judgments Convention* (n 24) art 3. See also Garcimartin and Saumier, *Final Explanatory Report* (n 24) [99].

154 See Pham (n 15). Cf *Eisenberg v Joseph* [2001] NSWSC 1062; *Macquarie Bank v Juno Holdings Sarl* [2015] NSWSC 1260; Michael Douglas 'Choice of Court Agreements under an International Civil Law Act' (2018) 34(3) *Journal of Contract Law* 186, 207.

155 See Pham (n 15) 669–72, 675–82, 690.

156 *Pro Swing* (n 40) 619 [1] (Deschamps J for LeBel, Deschamps, Fish and Abella JJ).

157 *Morguard Investments Ltd v De Savoye* [1990] 3 SCR 1077, 1098 (La Forest J for the Court). See also *Beals v Saldanha* [2003] 3 SCR 416, 434–8 (Major J for McLachlin CJ, Gonthier, Major, Bastarache, Arbour and Deschamps JJ).

158 *Dow Jones & Co Inc v Gutnick* (2002) 210 CLR 575, 629 [123] (Kirby J) ('*Gutnick*'). See also Pham (n 15) 682–3.

159 *Gutnick* (n 158) 629 [123] (Kirby J). See also *Davis v Turning Properties Pty Ltd* (n 148) 686–7 (Campbell J).

Additionally, Australian courts may have an appetite for enforcing at least some types of foreign non-monetary judgments on the basis of Australian courts granting non-monetary Mareva orders,¹⁶⁰ such as in *Davis v Turning Properties Pty Ltd* where a Mareva order was granted in NSW to enforce a worldwide Mareva order granted in a Bahamas proceeding.¹⁶¹ Additionally, the willingness of some courts to support the enforcement of foreign judgments in equity further supports the potential for Australian courts to recognise and enforce foreign IP-related injunctions. Common law restrictions on the appropriate form of action to enforce judgments did not exist in equity, because the Court of Chancery had its own regime.¹⁶² Australia therefore has some scope for enforcement via equity, which diverges from the approaches of other jurisdictions which have a ‘fusion’ between equity and common law.¹⁶³ This equitable jurisdiction has been applied in an insolvency case, where the Queensland Supreme Court enforced an order to recognise and give money to a receiver via declaratory and injunctive relief.¹⁶⁴ Additionally, in another case, the NSW Supreme Court made an order for the taking of an account to determine liability for dishonest assistance and knowing receipt to enforce English judgments.¹⁶⁵ However, Douglas et al note that the principles of equity in this respect remain ‘under-developed’,¹⁶⁶ suggesting a need for further development of the enforcement of non-monetary remedies generally.

Given this basis for change, the significance of non-monetary relief in IP infringement disputes, and the principled and cautious manner in which Australian courts could regulate the enforcement of non-monetary remedies, Australian courts should be open to overturning the current limitations on enforcement. Any remaining concerns may be sufficiently ameliorated by reforming Australia’s approach to jurisdiction in the international sense,¹⁶⁷ considered in Part III of this article.

III JURISDICTION IN THE INTERNATIONAL SENSE

Australian PIL rules presently require that the foreign court had jurisdiction in the international sense (ie, assumed jurisdiction on a basis known to the common law) before recognising and enforcing a foreign judgment.¹⁶⁸ For actions in personam, this traditionally requires that the judgment debtor was present in

160 Pham (n 15) 683–4.

161 *Davis v Turning Properties Pty Ltd* (n 148) 686 [35], cited with approval in *PT Bayan Resources TBK v BCBC Singapore Pte Ltd* (2015) 258 CLR 1, 20 [49]. See also Pham (n 15) 683–4.

162 White (n 5) 631–3; Chen (n 5) 158–9.

163 Chen (n 5) 160–1. Whether expanding statutory/common law rules could involve a ‘fusion fallacy’ is beyond this article’s scope: see Chen (n 5) 160–1.

164 *White v Verkouille* [1990] 2 Qd R 191, 194 (McPherson J). See also Pham (n 15) 666; Chen (n 5) 159.

165 *Independent Trustee Services Ltd v Morris* (2010) 79 NSWLR 425, 427–8 [18], 431 [37] (Bryson AJ). See also Chen (n 5) 159.

166 Douglas et al (n 30) 423. The principles have not been used much beyond the insolvency context.

167 Goddard, ‘The Judgments Convention’ (n 33) 485–8.

168 Mortensen, Garnett and Keyes (n 14) 136 [5.9], 137 [5.11].

or had submitted to the foreign court's jurisdiction.¹⁶⁹ This form of jurisdiction is also referred to as 'indirect jurisdiction' (used interchangeably with 'international jurisdiction' here), as distinct from the direct jurisdiction Australian courts purport to assert and exercise when deciding cases as the forum court.¹⁷⁰

By contrast, the approach proposed in the *Judgments Convention* drafts makes IP judgments eligible for recognition and enforcement on broader grounds – in particular, when proceedings in the foreign court occur in the contested IPR's state of origin or the state whose protection is claimed.¹⁷¹ The drafts also included a 'targeting' exception, which established that this jurisdiction would be inadequate where the defendant's activity could not be said to have been 'targeted' at the state in which the proceedings occur.¹⁷²

Adopting a similar approach in Australia would benefit IP cases in several ways. First, an exclusive jurisdiction approach with a 'targeting' requirement for infringement would address concerns about the impact of the current rules on both IPRs' territorial nature and the 'act of state' doctrine, which prevent courts from adjudicating upon acts of officials of foreign states.¹⁷³ Secondly, such an approach partly addresses the discrepancy between the jurisdiction that Australia claims in IP cases and the stringent rules Australia applies to foreign judgments, thereby furthering interests of comity and reciprocity.

A Situations Where the Present Jurisdiction Rules Are Insufficient

1 The Jurisdiction Disparity and Scope for Change

Australia's approach to indirect jurisdiction is very limited, and stricter than its approach to direct jurisdiction. As mentioned above, Australian rules of indirect jurisdiction require presence in, or submission to, the foreign court's jurisdiction. This matches the original grounds of direct jurisdiction at common law which Australian courts exercise, inherited from the UK, discussed below. By contrast, the direct jurisdiction of present-day Australian courts has been expanded beyond presence and submission.¹⁷⁴ The Federal Court, the court most relevant for IP matters, can also exercise personal jurisdiction in a broad range of cases where the defendant can be served outside Australia with the court's leave, as authorised by the rules of court.¹⁷⁵ By way of example, permissible cases for service outside of the jurisdiction include proceedings based on a cause of action arising in Australia, proceedings based on torts committed in Australia (relevant for passing off cases), and proceedings based on contraventions of an Act that are committed in Australia or for seeking relief in relation to damage suffered in Australia arising

¹⁶⁹ Ibid 137 [5.11]. See Part I.

¹⁷⁰ See generally Ralf Michaels, 'Some Fundamental Jurisdictional Conceptions as Applied in Judgment Conventions' in Eckart Gottschalk et al (eds), *Conflict of Laws in a Globalized World* (Cambridge University Press, 2007) 29.

¹⁷¹ 2018 Draft Convention (n 27) arts 5(3)(c), 6(a).

¹⁷² Ibid arts 5(3)(a)–(b).

¹⁷³ Morris (n 12) 515 n 276.

¹⁷⁴ See Mortensen, Garnett and Keyes (n 14) ch 2.

¹⁷⁵ Federal Court Rules 2011 (Cth) r 10.43.

from contraventions of an Act (relevant for statutory IPRs).¹⁷⁶ This evolution of the direct personal jurisdiction of Australian courts, amended over time to recognise the circumstances of modern cases, has resulted in a significant discrepancy between the rules of direct and indirect jurisdiction.

Australia's approach to indirect jurisdiction is open to challenge. The requirements of presence or submission came from the original English rule, which was initially thought to be justified by the doctrine of comity,¹⁷⁷ but was purportedly supplanted in *Schibsby v Westenholz* ('*Schibsby*')¹⁷⁸ by the doctrine of obligation. This doctrine regards the source of a state's court's territorial jurisdiction over a defendant as the defendant's obligation 'to abide by [the state's] laws and accept the jurisdiction of its courts *while present in its territory*'.¹⁷⁹ This obligation arises on the basis of the defendant benefitting from '[the state's] laws protecting them, or ... owing temporary allegiance'.¹⁸⁰ This conception of the rule created the present 'closed list' approach to indirect jurisdiction,¹⁸¹ which has been criticised as an ossified and unsatisfactory state of affairs, ill-suited to deal with the realities of present-day international law.¹⁸²

The 1990 English Court of Appeal decision *Adams v Cape Industries Plc*, however, questioned the *Schibsby* notion of 'allegiance' and reformulated the justification as a question of consent – where the defendant entering the foreign place 'invests [itself] by tacit consent with the rights and obligations stemming from the local laws as administered by the local court'.¹⁸³ Following this and other indications from English courts that *Schibsby*'s influence on English common law is 'waning',¹⁸⁴ commentators such as Dickinson have suggested that the time is ripe for adopting an alternative approach.¹⁸⁵ Dickinson argues first that the decision in *Schibsby* was grounded on a misapplication of earlier cases, in particular that Blackburn J had erred in extrapolating Lord Ellenborough's ruling in *Buchanan v Rucker*, about allowing judgments against non-residents without notifying them of proceedings, to a broader rule about courts' capacity to have personal jurisdiction on persons physically outside the state's territory.¹⁸⁶ Dickinson further highlights that the cases preceding *Schibsby* considered all the circumstances of the foreign case, including the connections between the parties and subject matter to the foreign court, and the equivalent adjudicatory jurisdiction English courts

176 Ibid r 10.42 items 1, 4, 12–15.

177 Collins and Harris, *Dicey* (15th ed) (n 14) 666 [14-007].

178 (1870) LR 6 QB 155 ('*Schibsby*').

179 *Adams v Cape Industries Plc* [1990] Ch 433, 519 (Slade LJ for the Court) (emphasis added).

180 *Schibsby* (n 178) 161 (Blackburn J for the Court).

181 Andrew Dickinson, '*Schibsby v Westenholz* and the Recognition and Enforcement of Judgments in England' (2018) 134 (July) *Law Quarterly Review* 426, 429–32 ('*Schibsby*').

182 Ibid 439; Ardavan Arzandeh, 'Reformulating the Common Law Rules on the Recognition and Enforcement of Foreign Judgments' (2019) 39(1) *Legal Studies* 56, 57, 60–1 <<https://doi.org/10.1017/lst.2018.14>>.

183 *Adams v Cape Industries Plc* (n 179) 555 (Slade LJ for the Court).

184 See Dickinson, '*Schibsby*' (n 181) 439 and cases cited; *Rubin v Eurofinance SA* [2013] 1 AC 236, 251 [9] (Lord Collins JSC).

185 Dickinson, '*Schibsby*' (n 181) 439–40; *Buchanan v Rucker* (1807) 1 Camp 63; 170 ER 877.

186 Dickinson, '*Schibsby*' (n 181) 440–4.

would exercise.¹⁸⁷ Dickinson thus proposes that a broader rule should be adopted for permissible indirect jurisdiction, justified by natural justice rather than notions of allegiance.¹⁸⁸

The strict *Schibsby* approach has already been rejected by the Canadian Supreme Court in its adoption of the broad ‘real and substantial connection’ test for indirect jurisdiction.¹⁸⁹ The fact pattern of foreign parties seeking to avoid a court’s reach in respect of activities with Australian connections is becoming increasingly familiar, and the decline of the concept of ‘exorbitant jurisdiction’ (inappropriate service outside the jurisdiction) is both ‘necessary’ and ‘justified by principle and policy’ given the increase in cross-border disputes.¹⁹⁰ Therefore, there is scope to address the discrepancy between Australia’s approaches to direct and indirect jurisdiction.

2 The Effect of the Discrepancy: The Practical Problem in IP Cases

IP cases, with their strong territorial tie to jurisdictions in which a defendant may not be present, offer a salient example of why Australia’s indirect jurisdiction rules should be reconsidered. Given the broad scope of Australia’s exercise of direct jurisdiction over its IPRs, as well as many other states having different approaches to the existence of the direct jurisdiction,¹⁹¹ it is easy to envision circumstances in which the presence and submission rules will exclude a foreign IP judgment from enforcement.

One example is *Lucasfilm*.¹⁹² In this case, the UK-based defendant, Ainsworth, sold goods in the US.¹⁹³ The US plaintiff, Lucasfilm, obtained a default judgment in the Californian District Court against Ainsworth for copyright infringement,¹⁹⁴ and was awarded USD10 million in damages.¹⁹⁵ Ainsworth had no assets or business in the US against which the judgment could be enforced, so Lucasfilm brought proceedings in the UK seeking the recognition and enforcement of the Californian judgment, and separately claiming infringement of both UK and US copyright.¹⁹⁶ At trial, Mann J found the Californian court did not have personal

187 Ibid 447–8. See also Andrew Dickinson, ‘Keeping up Appearances: The Development of Adjudicatory Jurisdiction in the English Courts’ (2016) 86(1) *British Yearbook of International Law* 6, 67 <<https://doi.org/10.1093/bybil/brx003>>.

188 Dickinson, ‘*Schibsby*’ (n 181) 445.

189 *Beals v Saldanha* [2003] 3 SCR 416.

190 Michael Douglas, ‘*Tiger Yacht Management Ltd v Morris* [2019] FCAFC 8’ (2019) 93(4) *Australian Law Journal* 278, 281.

191 See, eg, Benedetta Ubertazzi, ‘Intellectual Property, Jurisdiction’ in Jürgen Basedow et al (eds), *Encyclopedia of Private International Law* (Edward Elgar Publishing, 2017) 970, 977; Douglas et al (n 30) 425–6.

192 *Lucasfilm* (n 128).

193 Ibid 215–16 [1]–[4] (Lord Walker JSC and Lord Collins, Lord Phillips PSC and Baroness Hale JSC agreeing).

194 Ibid.

195 The damages were much larger than the sales (USD14,500): *Lucasfilm Ltd v Ainsworth* [2008] EWHC 1878 (Ch), [86] (Mann J) (‘*Lucasfilm Trial*’). In Australia, questions regarding the damages’ penal character would arise: see *Nygh’s* (n 2) 988–9 [40.81], 992 [40.89].

196 *Lucasfilm* (n 128) 216 [4] (Lord Walker JSC and Lord Collins).

jurisdiction over Ainsworth in the international sense as Ainsworth had neither been present in nor submitted to the US jurisdiction, meaning that the Californian judgment was not enforceable.¹⁹⁷ Lucasfilm's claim for infringement of UK copyright failed.¹⁹⁸ The Supreme Court, however, held the English courts *did* have subject-matter jurisdiction to decide the US copyright infringement claim.¹⁹⁹ In doing so, it confirmed that the *Moçambique* rule – that English courts lacked jurisdiction to determine cases regarding foreign property rights²⁰⁰ – no longer applied to copyright infringement, and the 'act of state' doctrine similarly did not preclude actions involving foreign IPRs in England.²⁰¹ Given Mann J's finding that Ainsworth had infringed Lucasfilm's US copyright, Lucasfilm was entitled to relief.²⁰² However, in Australia, where the *Moçambique* rule still prevents courts from adjudicating cases involving foreign IP laws,²⁰³ no such option would have been available. With the Californian court not having personal jurisdiction over Ainsworth and there being no ability for the Australian court to adjudicate the US copyright infringement claim, Lucasfilm would then have been unable to enforce the Californian judgment, with no other available recourse.

The current Australian approach is problematic for IPRs when considering the territoriality principle. Failing to recognise and enforce decisions made in the originating state of the IPR concerned may leave IPR-holders without an effective means of securing a remedy to enforce their rights against foreign defendants beyond merely recording the decision in the country of registration or protection.²⁰⁴ It also stifles each sovereign state's ability to ensure that its own domestic IPRs are protected in accordance with its particular 'economic, social and cultural policies',²⁰⁵ as these IPRs are rendered impotent where foreign defendants have no assets in that state against which to enforce judgments.

B Suggested Approach: Incorporating Exclusive Jurisdiction Requirements

This article proposes that Australia adopt an approach largely informed by the draft *Judgments Convention*, as well as the soft law principles.²⁰⁶ The 'narrow' draft provisions for permissible indirect jurisdiction included exclusive jurisdiction requirements for IPRs, with the rationale being to preserve territoriality.²⁰⁷ The

197 *Lucasfilm Trial* (n 195) [211]–[223]; *Lucasfilm Ltd v Ainsworth* [2009] EWCA Civ 1328, [187]–[195] (Rix, Jacob and Patten LJ). See also Part III(A)(1).

198 *Lucasfilm* (n 128) 216–17 [5], [7], 228 [49] (Lord Walker JSC and Lord Collins).

199 *Ibid* 229–44 [50]–[114], see especially 241–3 [101]–[109].

200 *Moçambique* (n 41).

201 *Lucasfilm* (n 128) 235–7 [81]–[86] (Lord Walker JSC and Lord Collins).

202 *Lucasfilm Trial* (n 195) [276]–[277].

203 *Potter v Broken Hill Pty Co Ltd* (1906) 3 CLR 479 ('Potter'); *Tyburn Productions Ltd v Conan Doyle* [1991] Ch 75 ('Tyburn'); Mortensen, Garnett and Keyes (n 14) 77. See also Part III(C) below.

204 Lundstedt (n 7) 935.

205 *Ibid*. See also Sophie Neumann, 'Intellectual Property Rights Infringements in European Private International Law: Meeting the Requirements of Territoriality and Private International Law' (2011) 7(3) *Journal of Private International Law* 583, 584 <<https://doi.org/10.5235/jpil.v7n3.583>>.

206 Discussed above in Part I.

207 Goddard, 'The Judgments Convention' (n 33) 485; 2018 *Draft Explanatory Report* (n 38) 53–4 [243], 68 [304]; *Report of Meeting No 2* (n 25) 8 [63].

proposed rules can be divided into judgments concerning validity and judgments concerning infringement.

1 Validity

Under the draft convention, judgments concerned with the validity of IPRs are eligible for recognition if the state of origin of the judgment is the state where the grant or registration of the right has taken place, in the case of rights required to be registered with a formal government registry.²⁰⁸ Similarly, for unregistered rights, examination or application processes, judgments may be recognised when originating from the state where the protection is claimed.²⁰⁹ The various soft law instruments may assist an Australian legislator or court by providing a specific definition of ‘validity’, noted to be important:²¹⁰ for example, the CLIP Principles’ wording of ‘the grant, registration, validity, abandonment or revocation’ of an IPR.²¹¹

An exclusive jurisdiction rule for validity issues is beneficial, because having courts ruling on the existence of foreign IPRs is ‘intrusive upon the sovereignty of the issuing state’.²¹² This is particularly so when considering the government administrative action involved in amending IP office registers for registered trade marks.²¹³ Although unregistered rights do not involve the same procedural actions, judgments regarding the validity of unregistered rights should nevertheless be subject to the same exclusive jurisdiction rule. This is because of the territoriality principle: the existence and content of IPRs – including unregistered rights – ‘can only be determined by the law of the State granting [them]’,²¹⁴ which is most appropriately decided by the courts of that state, especially given the limited harmonisation of substantive IPR laws and the role of public policy in determining the scope of IPRs.²¹⁵ In particular, a foreign court may find it difficult to determine whether a certain type of unregistered right exists under the laws of other states, especially where the right in question is not known under the foreign state’s law.²¹⁶

208 2018 Draft Convention (n 27) art 6(a).

209 Ibid art 5(3)(c). See also 2018 Draft Explanatory Report (n 38) 55–6 [248].

210 Benedetta Ubertaini, ‘Infringement and Exclusive Jurisdiction in Intellectual Property: A Comparison for the International Law Association’ (2012) 3(3) *Journal of Intellectual Property, Information Technology and E-Commerce Law* 227, 254 <<https://doi.org/10.1628/978-3-16-152087-7>> (‘Infringement and Exclusive Jurisdiction’).

211 CLIP Principles (n 19) art 2:401.

212 Howell (n 111) 217.

213 Paul Torremans, ‘Article 2:401: Registration and Invalidity’ in European Max Planck Group on Conflict of Laws in Intellectual Property (ed), *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary* (Oxford University Press, 2013) 138, 138–9 (‘Article 2:401 Commentary’).

214 2018 Draft Explanatory Report (n 38) 51 [235].

215 Report of Meeting No 3 (n 45) 2–3 [16]; 2018 Draft Explanatory Report (n 38) 51–2 [235]–[236]. See also Hague Conference on Private International Law, *Proceedings of the Twentieth Session 14 to 30 June 2004: Tome II Judgments* (Intersentia, 2013) 333 (‘Actes et Documents’). Cf CLIP Principles (n 19) art 2:401; Waseda Principles (n 18) art 209; Kyoto Guidelines (n 20) guideline 11; Brussels Regulation (n 16) art 24(4).

216 2018 Draft Explanatory Report (n 38) 55–6 [248].

The soft law principles do not mandate *complete* exclusive jurisdiction over validity, but instead provide that, where the issue of validity is raised *other than* by a principal claim/counterclaim, the judgment on the validity issue only applies *inter partes*.²¹⁷ The rationale behind this approach is the ability to consolidate proceedings from different jurisdictions into one hearing.²¹⁸ The CLIP Principles, for example, cite the importance of avoiding extra expense associated with fragmenting infringement and validity actions between different courts.²¹⁹ The ALI Principles similarly decline to grant any exclusive jurisdiction to the issuing jurisdiction due to concerns about bifurcating validity and infringement, increasing parties' costs or preventing courts from hearing all relevant evidence.²²⁰ The UK and Australia disagreed with this approach in the HCCH, and instead supported an exclusive jurisdiction rule for *both* validity and infringement proceedings – addressing the soft law principles' concerns by consolidating the claims in the issuing jurisdiction. UK and Australian delegates commented as early as 2001 on the close link between validity and infringement questions which almost inevitably arise together in litigation proceedings (particularly in patent litigation) and are typically tried by the same specialised courts.²²¹ Given the Australian delegation's support of exclusive jurisdiction applying to both validity and infringement, it is likely that this solution would be most palatable to Australian courts in the absence of an international convention.²²²

Such an exclusive jurisdiction rule may be at odds with the current rules regarding presence and submission in situations where the parties have submitted to a *different* foreign court. In such cases, adopting the soft law instruments' approach to validity may be appropriate, such that the foreign court's decision only applies *inter partes*.

2 Infringement

The proposed rules regarding infringement judgments are more complex. The 2018 draft indicated that judgments could be enforced where the judgment involves infringement in the state in which the registered or unregistered IPR originated, whether by registration, or grant of a registered right, or by origin of an unregistered

217 CLIP Principles (n 19) art 2:401; Torremans, 'Article 2:401 Commentary' (n 213) 141–3; Waseda Principles (n 18) art 209(2).

218 Torremans, 'Article 2:401 Commentary' (n 213) 142–3.

219 Ibid 147. See also Eun-Joo Min and Johannes Christian Wichard, 'Cross-Border Intellectual Property Enforcement' in Rochelle Dreyfuss and Justine Pila (eds), *The Oxford Handbook of Intellectual Property Law* (Oxford University Press, 2018) 687, 698–9 <<https://doi.org/10.1093/oxfordhb/9780198758457.013.1>>.

220 See ALI Principles (n 17) s 211, comment b; Howell (n 111) 216–17.

221 *Actes et Documents* (n 215) 333–5.

222 See also Marta Pertegás Sender, *Cross-Border Enforcement of Patent Rights: An Analysis of the Interface between Intellectual Property and Private International Law* (Oxford University Press, 2002) 201–4. Cf Dan Jerker B Svantesson and Rita Matulionyte, Submission to Attorney-General's Department (Cth), *Recognition and Enforcement of Foreign Judgments Consultation* (17 April 2018) [26]–[28] <<https://www.ag.gov.au/sites/default/files/2020-05/professor-dan-jerker-b-svantesson-dr-rita-matulionyte-submission.PDF>>.

right.²²³ The allocation of jurisdiction to the issuing state or state in which the IPR's protection is claimed is beneficial in reflecting the role of specialised courts in adjudicating IPRs²²⁴ and ensuring there is proximity of the court to the factual circumstances of the dispute.²²⁵ Further, this approach rightly conflates the place where the damage occurs and the place of infringement, given that the territorial scope of IPRs only extends to the issuing jurisdiction such that conduct outside the jurisdiction is irrelevant for determining infringement, therefore the place of infringing conduct and harm must be coincident.²²⁶

However, the later drafts also contained a further limitation protecting defendants, especially in cases of 'ubiquitous' infringement such as via the internet. For the originating state to have acceptable jurisdiction, the draft provisions also require that the defendant had 'acted in that state to initiate or further the infringement' or that their activity could 'reasonably be seen as *having been targeted at that state*',²²⁷ providing for an objective assessment of such 'targeting'.²²⁸ The inclusion of a targeting requirement is consistent with the soft law instruments' approach (even without an exclusive jurisdiction approach to infringement), which refers to a requirement of conduct 'initiat[ing] or further[ing]' the alleged infringement²²⁹ and/or conduct that is 'directed to [the relevant] state', assessed objectively.²³⁰ In such a case of 'directing', the soft law principles typically restrict the court's jurisdiction to claims regarding injuries or damage occurring only in that state.²³¹ The justification for a targeting protection in the soft law provisions is similar to the convention drafts. Namely, it purportedly provides a safeguard against wide jurisdiction which would otherwise expose an alleged infringer to litigation in a state where their infringement may only have a marginal effect, and instead limits jurisdiction to where the defendant sought to 'enjoy the benefits of engaging with the forum'.²³² The next section considers how such an exception would apply in Australia.

223 2018 Draft Convention (n 27) arts 5(3)(a)–(b). Australian law would, however, differ from the *Judgments Convention* to the extent that enforcement would continue to be permissible in cases of infringement where the parties had submitted to the foreign court's jurisdiction, recognising the role of party autonomy in choice of court: Alex Mills, *Party Autonomy in Private International Law* (Cambridge University Press, 2018) 239–40; Garnett, 'Strangers in the Night?' (n 9) 164.

224 See Howell (n 111) 218–19.

225 Annette Kur, 'Article 2:202: Infringement' in European Max Planck Group on Conflict of Laws in Intellectual Property (ed), *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary* (Oxford University Press, 2013) 69, 69.

226 2018 Draft Explanatory Report (n 38) 51 [235]. See, eg, Ubertazzi, 'Infringement and Exclusive Jurisdiction' (n 210) 229–30 [17]–[23].

227 2018 Draft Convention (n 27) arts 5(3)(a)–(b) (emphasis added).

228 2018 Draft Explanatory Report (n 38) 55 [246].

229 CLIP Principles (n 19) art 2:202. See also Kur (n 225) 74–6; ALI Principles (n 17) s 204(1); Waseda Principles (n 18) art 203(2); Kyoto Guidelines (n 20) guideline 5(a).

230 CLIP Principles (n 19) art 2:202; ALI Principles (n 17) s 204(2), comment c.

231 ALI Principles (n 17) s 204(2); Waseda Principles (n 18) art 203(2).

232 ALI Principles (n 17) s 204, comment c. See also Kur (n 225) 80–3; 2018 Draft Explanatory Report (n 38) 55 [246].

(a) *Applying a Targeting Limitation in Australia*

Various states have their own approaches to what constitutes ‘targeting’ or ‘directing’ activity.²³³ However, given that international jurisdiction is assessed according to the law of the enforcing court, it is likely that Australian courts in enforcement cases would draw from the targeting principles developed in Australia’s own IP law. These principles have not developed in a context of assessing jurisdiction, but rather in IP infringement cases in assessing whether the act occurs ‘in Australia’ or is directed towards the forum. Nevertheless, the issues are likely to be much the same in both sets of cases.

The main concern with incorporating the present Australian notion of targeting into indirect jurisdiction is that the doctrine is relatively protean in Australian IP law, meaning that there are uncertainties and complexities with its factual application, with differences emerging for the application of the targeting doctrine for trade marks and what amounts to conduct ‘in Australia’ in the copyright and patents contexts.²³⁴ Courts have built off the basic *lex loci delicti* principles of where the wrong occurs, as developed by the High Court in defamation and professional negligence cases.²³⁵ These cases held that, depending on the factual circumstances, the damaging act takes place where the defamatory material is published/made available, or where the negligent communication is directed.²³⁶ In a variety of trade mark infringement cases, courts and the Trade Marks Office have generally determined that conduct has occurred ‘in Australia’ where infringing goods have been offered for sale within Australia.²³⁷ However, in the context of online trading, it has been held that there must be specific intent for use to be made in or targeted at a particular jurisdiction.²³⁸ The complexity of applying this test is illustrated in how decisions have diverged on what is necessary to indicate such an intent. They differ,

233 Douglas et al (n 30) 434–5. See generally Erin Belfield, ‘Establishing Personal Jurisdiction in an Internet Context: Reconciling the Fourth Circuit “Targeting” Test with *Calder v Jones* Using Awareness’ (2018) 80(2) *University of Pittsburgh Law Review* 457 <<https://doi.org/10.5195/lawreview.2018.606>>. Cf *Brussels Regulation* (n 16) arts 24(4), 45(1)(e)(ii); Pedro de Miguel Asensio, ‘Internet, Jurisdiction’ in Jürgen Basedow et al (eds), *Encyclopedia of Private International Law* (Edward Elgar Publishing, 2017) 989, 996–8. See also Min and Wichard (n 219) 695–6 [2.1.3].

234 Garnett, ‘Enhanced Enforcement’ (n 8) 115.

235 *Gutnick* (n 158); *Voth v Manildra Flour Mills Pty Ltd* (1990) 171 CLR 538.

236 Anna Spies, ‘Territoriality and Intellectual Property Rights – When Does Online Infringement or Misleading and Deceptive Conduct Occur “in Australia”?’ (2018) 114 *Intellectual Property Forum* 56, 56–7. See also Andrea Slane, ‘Tales, Techs, and Territories: Private International Law, Globalization, and the Legal Construction of Borderlessness on the Internet’ (2008) 71(3) *Law and Contemporary Problems* 129, 139–41, 146.

237 See, eg, *Re Registered Trade Mark ‘Yanx’; Ex parte Amalgamated Tobacco Corporation Ltd* (1951) 82 CLR 199; *Estex Clothing Manufacturers Pty Ltd v Ellis and Goldstein Ltd* (1966) 116 CLR 254; *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2010) 241 CLR 144; *Playgro Pty Ltd v Playgo Art & Craft Manufactory Ltd* (2016) 117 IPR 489; *PKT Technologies Pty Ltd v Peter Vogel Instruments Pty Ltd* (2018) 135 IPR 463; *Anchorage Capital Partners Pty Ltd v ACPA Pty Ltd* (2018) 259 FCR 514. See also Spies (n 236) 57–8; Garnett, ‘An Overview’ (n 100) 348.

238 *Ward Group Pty Ltd v Brodie & Stone PLC* (2005) 143 FCR 479, 490–1 [43] (Merkel J) (‘*Ward Group*’). See also Sam Ricketson, ‘Trade Mark Liability Issues Arising out of Internet Advertising’ (2007) 12(1) *Media and Arts Law Review* 1, 25–7.

for example, on whether a drop-down menu to select locations including Australia was targeting Australian consumers,²³⁹ or whether an actual purchase is necessary or even evidence of targeting at all.²⁴⁰ The related statutory prohibition of misleading or deceptive conduct and the tort of passing off similarly have also been found to require targeting of Australian consumers.²⁴¹ For copyright, there is an ‘absence of clear authority on when an infringement of copyright will occur “in Australia”’,²⁴² although it appears that transmission or communication of infringing material into Australia where Australian consumers see it suffices.²⁴³ Further, foreign defendants may also be liable for *authorisation* of direct acts of infringement within Australia – for example, where the defendant makes infringing material available to be downloaded by Australian consumers.²⁴⁴ Finally, consideration of whether forms of online trade amount to being ‘in Australia’ has also occurred in cases of patent infringement. Merely advertising or making contracts on Australian websites for sale of goods, which allegedly infringed Australian patents, where the goods were only passing overseas and never entered the patent area, was held not to be conduct ‘in Australia’,²⁴⁵ contrasting with the trade marks context.²⁴⁶ Importing a product into Australia made overseas using a method which is patented in Australia was, by contrast, held to be infringement of the Australian patent.²⁴⁷

As the different outcomes in these cases illustrate, the application of a targeting protection in Australian international jurisdiction law could be challenging to apply. Additionally, the developing nature of the doctrine could (at least initially) create uncertainty for parties as to whether a judgment on infringement in a different jurisdiction would be enforceable in Australia. Nevertheless, adoption of such a protective targeting standard is still beneficial for several reasons.

First, expanding Australia’s international jurisdiction rules to encompass judgments ruling on IPRs in their originating state is still preferable for plaintiffs, even with the complexity of applying the targeting protection, compared to being unable to have their judgment recognised and enforced here. Secondly, the targeting protection protects defendants in ubiquitous infringement cases from enforcement

239 *Ward Group* (n 238) 489 [37], 490 [41] (Merkel J). Cf *International Hair Cosmetics Group Pty Ltd v International Hair Cosmetics Ltd* (2011) 218 FCR 398, 410–11 [59]–[60] (Logan J).

240 *Nordstrom Inc v Starite Distributors Inc* [2008] ATMO 11. Cf *Ward Group* (n 238); *Christian v Société Des Produits Nestlé SA* [No 2] (2015) 327 ALR 630, 649–50 [76]–[78].

241 See Garnett, ‘An Overview’ (n 100) 349; Richard Garnett, ‘Are Foreign Internet Infringers Beyond the Reach of the Law?’ (2000) 23(1) *University of New South Wales Law Journal* 105 (‘Foreign Internet Infringers’); Spies (n 236) 59–60.

242 Spies (n 236) 62.

243 *TVBO Production Ltd v Australia Sky Net Pty Ltd* (2009) 82 IPR 502; *Roadshow Films Pty Ltd v iiNet Ltd* (2011) 194 FCR 285; *Pokémon Co International Inc v Redbubble Ltd* (2017) 351 ALR 676; Spies (n 236) 61–2.

244 See, eg, *Cooper v Universal Music Australia Pty Ltd* (2006) 156 FCR 380; Garnett, ‘Foreign Internet Infringers’ (n 241) 121.

245 *Load and Move Pty Ltd v Container Rotation Systems Pty Ltd* (2016) 341 ALR 458, 463 [23], 465 [33] (Rares J).

246 See Spies (n 236) 58, discussing *PKT Technologies Pty Ltd v Peter Vogel Instruments Pty Ltd* (n 237).

247 *Warner-Lambert Co LLC v Apotex Pty Ltd* [No 2] (2018) 355 ALR 44, 52 [46]–[52], 72–4 [156]–[168].

of foreign judgments rendered by courts from states in which the defendants' internet activities had only a minimal or no impact,²⁴⁸ enabling foreign parties to assess the legal risk attached to their activities across jurisdictions and avoid certain jurisdictions where their behaviour may infringe IPRs.²⁴⁹ Such a rule recognises that most internet activity by parties is 'not actually aimed at a worldwide audience but is ... the most effective way to ... pursue certain business models'.²⁵⁰ Thirdly, an exclusive jurisdiction rule coupled with a targeting exception benefits parties by avoiding the greater levels of uncertainty and forum-shopping issues that the very broad Canadian 'real and substantial connection' test can cause.²⁵¹ Therefore, the present levels of uncertainty associated with the Australian targeting doctrine should not outweigh the benefits of broadening Australia's approach to indirect jurisdiction.

C Enforcement in Light of Possible Changes to the *Moçambique* Rule

Part III(B) of this article assumes the *Moçambique* rule's continued application in Australia, such that enforcing a foreign IP judgment is the only option for litigants seeking remedies against defendants with Australian assets. However, the rule's application in Australian IP cases is in question. This could affect the extent to which foreign judgments require enforcement in Australia or the rules governing such enforcement. Previously upheld to deny direct subject-matter jurisdiction to determine the infringement of foreign patents, trade marks and copyright,²⁵² the application of the *Moçambique* rule has been abolished by statute in NSW²⁵³ and there are further indications that the rule may otherwise be eroded.²⁵⁴ Should Australian courts do away with the *Moçambique* rule insofar as it applies to IP, parties would be able to bring actions regarding infringement of foreign IPRs in Australian courts, as is now possible in some other common law states.²⁵⁵

248 2018 *Draft Explanatory Report* (n 38) 54–6. See especially at [250].

249 Tobias Lutz, 'Internet Cases in EU Private International Law: Developing a Coherent Approach' (2017) 66(3) *International and Comparative Law Quarterly* 687, 705 <<https://doi.org/10.1017/S0020589317000240>>.

250 Ibid 704.

251 See, eg, Tanya Monestier, '(Still) a Real and Substantial Mess: The Law of Jurisdiction in Canada' (2013) 36(2) *Fordham International Law Journal* 396, 455–8; Jean-Gabriel Castel, 'The Uncertainty Factor in Canadian Private International Law' (2007) 52(3) *McGill Law Journal* 555, 558. See also Garnett, 'Enhanced Enforcement' (n 8) 127.

252 *Potter* (n 203); *Tyburn* (n 203); *Tritech Technology Pty Ltd v Gordon* (2000) 48 IPR 52, 58 [27] (Finkelstein J); *Norbert Steinhardt* (n 10) 443 (Fullagar J); GW Austin, 'The Infringement of Foreign Intellectual Property Rights' (1997) 113 (April) *Law Quarterly Review* 321, 324.

253 *Jurisdiction of Courts (Foreign Land) Act 1989* (NSW) s 3.

254 *Regie Nationale des Usines Renault v Zhang* (2002) 210 CLR 491, 520 [76] (Gleeson CJ, Gaudron, McHugh, Gummow and Hayne JJ). See also *Moti v The Queen* (2011) 245 CLR 456, 475 [49] (French CJ, Gummow, Hayne, Crennan, Kiefel and Bell JJ); *Ricketson* (n 238) 2; Garnett, 'Enhanced Enforcement' (n 8) 118–19; Williams and Smith (n 22) 41–2; William Gummow, 'The Selection of the Major Premise' (2013) 2(1) *Cambridge Journal of International and Comparative Law* 47, 51–4 <<https://doi.org/10.7574/cjicl.02.01.86>> ('The Major Premise').

255 For copyright, see *Lucasfilm* (n 128); *KK Sony Computer Entertainment v Van Veen* (2006) 71 IPR 179 (NZHC). For patents, see *Actavis Group HF v Eli Lilly & Co* [2012] EWHC 3316; *Stewart v Franmara Inc [No 2]* (2012) 96 IPR 554. For trade marks, see *Converse Inc v Conley (UK) Ltd* [2012] EWPCC 24; *Esquel Enterprises Ltd v Tal Apparel Ltd* [2006] 2 HKC 384; *Voda v Cordis Corp*, 476 F 3d 887 (Fed Cir, 2007).

Nonetheless, it is likely that Australian courts would still be called upon to enforce foreign judgments even in the absence of the *Moçambique* rule, such that the approach in Part III(B) of this article would still have work to do. Even where the rule has been abolished, a court may refuse to hear and determine an IP action on *forum non conveniens* grounds,²⁵⁶ which Fawcett and Torremans support as a means otherwise to control appropriate exercises of jurisdiction.²⁵⁷ Therefore, there are likely to be circumstances in which Australian courts will *not* exercise jurisdiction, resulting in foreign court decisions needing to be enforced. First, these include examples where it is preferable for courts from the state whose protection is claimed to decide on their own IP issues. No national IP legislation explicitly confers exclusive jurisdiction.²⁵⁸ However, several jurisdictions resolve IP litigation in specialised courts,²⁵⁹ and actions that concern the subsistence of copyright or registration of patents and trade marks raise ‘act of state’ doctrine and comity concerns.²⁶⁰ As Howell notes, ‘allowing a foreign court to determine validity between the parties is more intrusive upon the sovereignty of the issuing state than is the position with land under *Moçambique*’.²⁶¹ Further, given the frequency with which the validity of registered rights is raised as a principal question alongside a claim for infringement,²⁶² it is likely that a number of infringement cases for these forms of IP would be remitted to foreign courts and later require enforcement. Finally, treating the issues of validity and infringement of the foreign right differently can result in fragmented litigation, where a foreign judgment ruling on validity must be recognised to enable an Australian court to make a finding on the infringement of that right.²⁶³

IV CONCLUSION

Australia’s current common law and legislative approach to the recognition and enforcement of foreign judgments presents problems for litigants seeking to enforce foreign judgments concerning the validity and infringement of IPRs. This article has focused on two issues litigants face when seeking recognition and enforcement of IP judgments in Australia. The first is that Australia’s current rules against the enforcement of non-monetary remedies prevent plaintiffs from being able to enforce a remedy of at least equal importance as monetary damages. The second issue is that Australia’s limited rules regarding permissible indirect jurisdiction for the foreign court limit plaintiffs’ ability to protect their IPRs against

256 Mortensen, Garnett and Keyes (n 14) 78–9 [3.8], 80 [3.11].

257 Fawcett and Torremans (n 21) 312 ff.

258 Garnett, ‘Strangers in the Night?’ (n 9) 164; Benedetta Ubertazzi, ‘Intellectual Property Rights and Exclusive (Subject Matter) Jurisdiction: Between Private and Public International Law’ (2011) 15(2) *Marquette Intellectual Property Law Review* 357, 372–3.

259 See Howell (n 111) 218–19; Gummow, ‘The Major Premise’ (n 254) 54.

260 Cf Garnett, ‘Enhanced Enforcement’ (n 8) 121.

261 Howell (n 111) 217.

262 *Actes et Documents* (n 215) 333–5.

263 See Garnett, ‘Enhanced Enforcement’ (n 8) 121–2.

defendants who were not present in the court's jurisdiction. The present rules also curtail states' ability to enforce their own policies regarding IP protections within their territory against overseas defendants.

The contemplated inclusion of IP judgments in the *Judgments Convention* and the HCCH's ongoing work on the intersection of conflict of laws principles with IP illustrates the continued relevance of considering how recognition and enforcement principles ought to interact with IP judgments. In light of this ongoing conversation and taking lessons from the approaches of relevant draft provisions in the *Judgments Convention*, soft law instruments and other jurisdictions, this article has proposed methods for how Australia can address the issues of non-monetary remedy enforcement and indirect jurisdiction. One proposal is that Australia expand the ability of courts to enforce non-monetary remedies, beyond the current arrangement with New Zealand, and do this by adopting the Canadian approach to enforcement in *Pro Swing*. Another is that the exclusive jurisdiction and targeting approach for IP judgments from the draft *Judgments Convention* be adopted to expand what is considered permissible indirect jurisdiction.

The proposals in this article do not seek to resolve *all* issues associated with international IP litigation. One salient remaining issue is efficiency – because of the territorial 'mosaic approach' to IPRs,²⁶⁴ in cases where an IPR is infringed in multiple jurisdictions by a defendant, a plaintiff would be required to litigate separately in each state in which the IPR is held and infringed. This article has not proposed changing the mosaic approach due to the importance of maintaining the territoriality principle for many states, insisted upon in the preparation of the *Judgments Convention*.²⁶⁵ However, this could possibly be resolved through other alternatives. One option is arbitration, given the increasing acceptance of various forms of IP disputes as arbitrable in several jurisdictions.²⁶⁶ A more radical change to IP litigation principles that would allow multiple infringements across different states to be consolidated in one court is another option.²⁶⁷ This would require overturning the *Moçambique* rule which currently prevents consolidation,²⁶⁸ and presents its

264 Ubertazzi, 'Intellectual Property, Jurisdiction' (n 191) 970.

265 *Report of Meeting No 2* (n 25) 5–6 [53]–[54]; *Report of Meeting No 3* (n 44) 1 [3], 2 [11], 3 [26]; Special Commission on the Recognition and Enforcement of Foreign Judgments, Hague Conference on Private International Law, *Report of Meeting No 5*, 15 November 2017, 1 [4], 4–5 [38]–[39] (access provided by the HCCH Permanent Bureau); *Report of Meeting No 6* (n 45) 3 [24].

266 See, eg, *Brussels Regulation* (n 16) art 24(4); 35 USC § 294 (2020); 'WIPO Arbitration and Mediation Centre', *World Intellectual Property Organization* (Web Page) <www.wipo.int/amc/en/center/background.html>; 'Why Arbitration in Intellectual Property?', *World Intellectual Property Organization* (Web Page) <<https://www.wipo.int/amc/en/arbitration/why-is-arb.html>>; *Convention on the Recognition and Enforcement of Foreign Arbitral Awards*, opened for signature 10 June 1958, 330 UNTS 3 (entered into force 7 June 1959). Cf *WDR Delaware Corporation v Hydrox Holdings Pty Ltd* (2016) 245 FCR 452, 474 [124] ff. See especially [128] (Foster J).

267 Waseda Principles (n 18) arts 207–8; ALI Principles (n 17) ss 221–3; Kyoto Guidelines (n 20) guideline 7; Howell (n 111) 196, 236.

268 Fawcett and Torremans (n 21) 311. See Part III(C) above; *KK Sony Computer Entertainment v Van Veen* (n 255); *Esquel Enterprises Ltd v Tal Apparel Ltd* (n 255); *Voda v Cordis Corp* (n 255).

own problems of expense, time and complexity,²⁶⁹ which could require a further amendment to ensure that only the law with the ‘closest connection’ to the dispute is applied.²⁷⁰ Another option involving a similarly large amount of change would be harmonising substantive IP law internationally. This would reduce courts’ hesitance to apply foreign law,²⁷¹ but is unlikely to be achieved *globally* in the foreseeable future despite recent developments in the EU.²⁷² Although the approach in this article does not solve these other efficiency-related issues, if this approach is adopted, it may nevertheless have profound implications for Australian law because it could, for example, open the door for the enforcement of non-monetary judgments in areas beyond IP, the precise implications of which provide ground for further study.

The final promising avenue for global reform is the HCCH’s ongoing consultation with WIPO regarding the intersection between PIL and IP. International IPR-holders will undoubtedly watch for developments from the HCCH and WIPO collaboration, and whether Australia will follow any proposals emerging from this collaboration. Either way, this article has identified a need to adapt our conflict of laws rules to a world of increasingly interconnected IP.

269 Trimble, ‘Multiplicity of Copyright Laws’ (n 117) 394.

270 See ALI Principles (n 17) s 321; CLIP Principles (n 19) art 3:603; Garnett, ‘Strangers in the Night?’ (n 9) 167.

271 Kimberlee Weatherall, ‘Can Substantive Law Harmonisation and Technology Fix Conflicts Problems?’ (2006) 11(4) *Media and Arts Law Review* 393, 396–8.

272 Ibid 402–7; Alexandra George, ‘Transcending Territoriality: International Cooperation and Harmonization in Intellectual Property Enforcement and Dispute Resolution’ (2018) 10(2) *Tsinghua China Law Review* 225, 257–68, 272; Nikitas Hatzimihail, ‘Concluding Remarks: Territoriality, International Governance and Cross-Border Litigation of Intellectual Property Claims’ in Arnaud Nuyts et al (eds), *European Commission Research Project on Judicial Cooperation in Matters of Intellectual Property and Information Technology: International Litigation in Intellectual Property and Information Technology* (Kluwer Law International, 2008) 303, pt III.

